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EDITORIAL COMMENT

The New York City Board of Health has improved the milk standard by reducing the number of bacteria permitted by half. Hereafter Grade B milk after pasteurization must contain not more than 50,000 bacteria per cc. Before pasteurization the maximum number is now 1,500,000 per cc.

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On November 8 the citizens of Portsmouth, Ohio, voted in favor of a commission to draft a new charter for the city and elected a charter commission of fifteen members. At the first meeting of the commission Miss Emma Cramer was elected chairman. The organization of a charter league is now under consideration.

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Students of city manager government recognize Kansas City as the one conspicuous example of failure to fulfill the implications of the manager plan. Manager H. F. McElroy is a Democrat. The city administration, he says, functions for the entire citizenship but is Democratic in its organization. Each party, he continues, has always made control of the city departments a party affair and the Democratic majority on the council are merely continuing in the footsteps of their predecessors.

Mr. McElroy is a man of integrity and courage, and we regret that he, together with many people in Kansas City, has not caught the spirit of the new charter.

Stephen B. Story has begun his term as city manager of Rochester by ordering all employees who are members of committees of political parties to resign immediately or forfeit their positions. In so doing Mr. Story called attention to Section 59 of the charter which prohibits a city employee from serving on a political committee, being a candidate to a nominating convention or soliciting campaign funds.

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According to the Citizens Research Institute of Canada, per capita municipal expenditures in the Dominion for 1926 varied from $62.42 in Edmonton to $13.54 in Charlottetown. In general the per capita expenditures of cities west of Toronto exceed $50 per year, while those east of Toronto are less than this amount.

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The New York metropolitan area as defined for the purposes of the 1927 census of manufactures includes 9,500,000 persons and comprises a district within a forty mile radius of New York City instead of the previous ten mile limits. As pointed out by Mr. Dodge in the REVIEW for last July, the census bureau has adopted a new definition of a metropolitan area on the basis of the economic and social activities centering in the big city. Among the factors considered were commuting distances, range of free delivery services, telephone service, and density of population.

Other metropolitan territories are reforming their boundaries in a manner similar to New York and it is believed that this new definition of a metropolitan region will be utilized in the 1930 general census as well as in the 1927 census of manufactures.

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Bureaucratic Control Over English Municipalities Increased

The English have an officer known as the district auditor who examines accounts of local authorities as the appointed agent of the ministry of health. The audit is annual and the auditor has power to reduce charges and payments, and to disallow illegal expenditure and to surcharge it upon the individual members of the authority which authorized the spending. Some time ago, the broad powers of these district auditors were exemplified in the case of the borough of Poplar. Readers will remember that this labor-controlled borough desired to pay high wages to employees but that such wages were considered unreasonable by the district auditor and were disallowed. The wide discretion of the district auditor in this case was sustained by the House of Lords, and thus the situation was established by which an officer, appointed and removable by the minister of health, could nullify the discretionary action of municipal councils if such action does not conform to the auditor's theories of the social order.

In the face of much expressed doubt as to whether the district auditor should be continued at all, parliament recently passed a measure increasing the penalty which he may inflict. Hereafter every person who has been surcharged to an amount exceeding five hundred pounds shall be disqualified "for being elected or appointed or being a member of any local authority" for a period of five years. Appeal in such cases may be made to the High Court on the ground that the surcharged officer acted reasonably or in the belief that his action was authorized by law.

The *London Municipal Journal* sees in the act a declaration of failure and mistrust of local government and denies that the minister of health through his nominated auditors should be endowed with power to disqualify political opponents "because they hold exceptionally large—or absurdly narrow—views as to the nature and extent of the public services which the rate fund ought to bear."

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Dallas Adopts Long-term Financial Program

In 1910 the late George E. Kessler prepared a city plan for Dallas, Texas. Since that time railroad passenger terminals have been unified; trunk line tracks have been removed from a principal downtown street, and terminal tracks lifted from other streets; many streets have been widened; new boulevards have been constructed; parks have been promoted; and reclamation of the whole river bottom district has been begun.

The carrying out of the Kessler plan with fidelity has proved expensive. According to John E. Surrat, writing in the January issue of *City Planning*, the cost has averaged about $1,500,000 a year, but the people of Dallas have never faltered. On December 15 the voters again evidenced their confidence in a comprehensive plan by authorizing bond issues totalling $23,900,000, to be expended over a period of nine years in accordance with a plan prepared by a citizens' advisory committee. The bonds will be issued from year to year as the physical work progresses, with a limitation of a maximum issue within any one year of $4,000,000.

Some of the larger items include street openings and widenings to cost $5,500,000; extension of the water system, $4,000,000; a storm drainage sys-

tem, $3,500,000 for the city's share; public schools, $1,900,000; and parks and boulevards, $1,500,000. Dallas thus affords a commendable example not only of physical planning for the future, but of long time financial planning correlated with her physical development.

George B. Dealey, publisher of the Dallas *Morning News* and for many years an officer of the National Municipal League, has been a prominent leader in the movement. C. E. Ulrickson was chairman of the committee which prepared the present bond program.

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N. A. L. G. O., a Trustee for the Merit System in English Local Government

N. A. L. G. O., described in this issue by Mr. Woodruff, is much more than a trade union. It is the National Association of Local Government Officers of England, Scotland and Wales, and boasts a membership of 40,000. Like a fully organized trade union, it extends insurance and benevolent facilities to its members and sponsors the interests of local officers before parliament. Comprehensive superannuation schemes have been enacted through its efforts and it is quick to aid individual officers to secure redress for wrongs suffered from local authorities. Like a properly conducted trade union, it is concerned with conditions of entrance and promotion, and its activities along this line supply the chief organized application to English local government of what we in the United States term the merit system.

We do not mean to suggest that English municipal government is honeycombed with the spoils system, although N. A. L. G. O. believes that parochialism and personal favoritism, not necessarily political, do exist as undesirable influences. But, with the exception of the London County Council, English municipalities do not have organized agencies setting examinations, recommending applicants for appointment, maintaining efficiency ratings and administering classification systems. In the appointment of permanent officers and employees the local authorities are free from any supervisory checking or assisting agency such as our civil service commissions are designed to be.

True, in the professional branches, such as law, public health, finance and engineering, it is generally established that persons holding advanced office must possess adequate professional training and satisfy the requirements of the appropriate professional organization; as for example, the Institute of Civil Engineers and the Institute of Municipal Treasurers and Accountants. Such organizations, therefore, supply for the professional offices a testing machinery enforcing minimum qualifications though the examinations are not competitive for particular posts.

Ninety per cent of English local government officers enter the service at sixteen years of age or less. With the exception of the medical men, who must attend regular medical schools, the majority who go up the professional side take their training under a head of a department while at work. These are the "articled pupils," to whom Mr. Woodruff refers, to whom certificates are issued in due time by the appropriate professional society. Several technical colleges and institutes have been induced to provide instruction in subjects useful to local government officers preparing for professional and technical examinations with a view to promotion. For the benefit of officers who are out of reach of such instruction N. A. L. G. O. has established courses of instruction by correspondence.

But on the lay side no organized

tests have been employed and one of the activities of N. A. L. G. O. is to meet this lack. In response to its efforts, more than one hundred authorities have recognized the school leaving certificate, or its equivalent, as a standard for junior entrants. For those who have not attended school the association itself has prepared a preliminary examination which is considered equivalent to the school leaving certificate, but this will be abolished if and when local authorities take in none but school boys. Several local authorities have gone so far as to recruit juniors by competitive examinations conducted by the association.

For the intermediate and higher grades on the lay side, N. A. L. G. O. has also prepared examinations for the successful passage of which she will issue examination certificates. At present she is seeking to persuade local authorities to require such certificates and, as a basis of administering the plan, proposes joint examination boards on which the local authorities will be represented.

In brief N. A. L. G. O. is struggling for the principle of training for lay workers evidenced by examination as well as for the professional and technical staffs of local governments, and for the doctrine that the professional and technical force as well as the lay side, should have some special instruction in subjects related to public administration. Accordingly she has worked for the establishment of university courses leading to a diploma in public administration, which will be supplementary to all other professional qualifications. In this she had had the coöperation of the Institute for Public Administration. London University is the first to carry out the idea by offering an academic diploma in public administration, commonly known as the D. P. A.

For us, N. A. L. G. O.'s chief interest lies in the fact of an association of municipal employees fighting for the adoption of the merit principle in all its various phases, and from among its own members supplying, in coöperation with existing professional and educational agencies, the very machinery for carrying it into execution in the service of the state.

LABOR PARTY GAINS IN MUNICIPAL ELECTIONS IN BRITAIN

BY JAMES K. POLLOCK, JR.

Continued gains by the Labor party and frank line up under national party standards were the outstanding features. :: ::

THE annual municipal elections in Britain are over and for the second year in succession the Socialists have won the largest number of seats. On November 2 polling took place in over 300 towns in England and Wales and in about a hundred Scottish burghs.

LABOR GAINS 100 SEATS

The elections, especially in the north of England and in Wales, were keenly fought, but municipal elections in Britain never have the excitement and enthusiasm of the parliamentary contests. There is a rasp about the parliamentary campaigns which compels even quiet men to join in the struggle. But neither fear of high rates nor any other terror can arouse the citizens at the municipal poll.

Out of several thousand contests, the Socialists have gained in England approximately 100 seats as compared with 140 seats a year ago. In Scotland the elections resulted in a position as between the Moderates and the Socialists of "all square." Labor thus has some ground for rejoicing, although when one looks at the individual councils throughout the country one finds that Labor controls but a few. Nevertheless this year's election places her in the position of the strongest single party in a rather long string of boroughs, although the combined vote of the other two parties in these boroughs can keep Labor from controlling. Both the Conservatives and Liberals lost in number of seats, but the Conservative loss was greater.

On the other hand, there were some surprising Labor upsets in Glasgow and Dundee and some Conservative gains in the Home Counties. Even in boroughs like Nelson the system of coöpting the aldermen is likely to keep the Moderate party in control.

Municipal elections in England, as in America, have not given any important indication of the trend of forces in national politics, because local or personal questions play the chief part and the elections are not managed from the central offices of the parties. In past years, municipal elections in England were largely non-partisan and the candidates who stood for election did not carry the labels of the national parties. But all this has undergone a change and in this year's election the candidates were Liberal, Conservative or Socialist. For several years the Labor party has helped its candidates for municipal office. This year the Conservative party at its annual conference at Cardiff passed a resolution urging the central office of the party to assist Conservative candidates for municipal offices thus introducing a new partisan factor. Although many candidates still stand as independents or camouflaged as "Ratepayers" or "Moderates," the contest in many parts of Britain is becoming an out and out fight among the three national parties. Fortunately for the English ratepayer, whichever party wins, the administration of the city is entrusted to the competent hands of the perma-

nent town officers who know no party and who work only for the good of their municipalities.

LIGHT VOTE IN SPITE OF SHORT BALLOT

To an American observing the mechanics of an English election, nothing is more interesting than the orderliness and the precision of the officials. Selected entirely for their ability, they carry on their job without partisan cares. Not less interesting than the excellence of the election staffs is the simplicity and ease with which an elector votes. In contrast to America, where the average voter is confronted with a large and complicated ballot bearing party designations and scores of names, the English voter is handed a simple ballot paper of small size carrying at most the names of three or four candidates, often only two. In addition to this, the English voter has not had to register himself, this being taken care of by the officials, and when election day comes, all that he has to do is to present himself at the polling place, receive his simple ballot paper, make one mark, and his task is completed. One cannot help wondering how the American voter ever manages his almost overwhelming burden. Englishmen would certainly be flabbergasted if they had to vote in an American city election.

Though the task of the English voter is a simple one, less than 50 per cent of the registered voters went to the polls in the recent municipal elections. In some "safe" wards the percentage dropped as low as 30, and rarely was the percentage as high as 60. The 80 per cent and 90 per cent polls achieved in parliamentary elections come only after hard canvassing and the expenditure of large sums of money. Such expenditures and such canvassing are not present in municipal contests and the result is that half the voters do not vote.

The Socialists realize that their policies cannot be carried out unless they control the local councils and in consequence they have put forth every effort in recent years to capture as many municipal seats as possible. The average Englishman, however, is not a strong believer in a Socialist menace to his local government and a steady Socialist gain is the result. The determined attempt which is being made in England in many quarters to present all political issues as a contest between Socialist and anti-Socialist can scarcely be said to have been accepted by the electorate.

THE ATTACK ON CLEVELAND'S COUNCIL-MANAGER CHARTER

BY RANDOLPH O. HUUS
Western Reserve University

City Manager Hopkins is still on the job and the Cleveland charter still intact as a result of the November election. :: :: :: ::

THE attack on the manager plan was led by Harry L. Davis, who had thrice been elected mayor of Cleveland by the aid of Morris Maschke, local Republican leader. From 1921 to 1923 Davis served as governor of Ohio although his home county (Cuyahoga) turned against him in the election of 1920, for which defection he blamed Maschke. In 1924 he ran again for governor but was defeated. Since the 1920 election Maschke and Davis have not been on friendly terms. Dissatisfaction with Davis as mayor was evidenced by the Cuyahoga vote for him in in 1920 and by the election of Fred Kohler as mayor in 1921 and the adoption of the city manager plan in the same year. From 1924 to 1927 Davis was out of the public eye.

Davis renewed his activities in the spring of 1927 by filing a petition for a special election on a proposed charter amendment. Legal questions delayed proceedings until the state supreme court finally decided that the petition was filed with the wrong authorities. Davis then revised his amendment and filed a new petition. This amendment was placed on the ballot to be voted on at the regular municipal election in November. Two other charter amendment proposals, sponsored by George B. Harris and Carl D. Friebolin respectively, were also put on the ballot. The Davis and Harris amendments were in reality new charters while the Friebolin amendment made only one important revision. Both the Harris and Davis proposals restored the mayor-council form and the ward system, but the Davis amendment provided for plurality elections while the Harris amendment proposed the preferential system. A striking feature of the Davis proposal was the extraordinary powers given the mayor; for example, the board of control appointed by the mayor was to approve all contracts in excess of $1,000 and to have exclusive power to fix all rates for publicly owned public utility services.

Of these amendments the Davis proposal was the only one to receive serious consideration. The effect of the other two was merely to confuse the voter. This confusion was enhanced by the lack of any distinguishing marks on the Harris and Davis amendments—they were almost identical in form as they appeared on the ballot. In addition the Citizens' League of Cleveland sponsored a charter commission proposal as a counter to the three amendments. Its theory was that the only orderly and sensible method of submitting an entirely new charter to the voters was through a duly elected charter commission.

THE CAMPAIGN AS A STRUGGLE FOR POLITICAL POWER

The foregoing suggests that the real basis for the campaign was the attempt

on the part of Davis and the groups supporting him to get political control of Cleveland and Cuyahoga County. The mayor-council and the council-manager forms of government became merely instruments in the contest. For all practical purposes the alignment was pro-Davis and anti-Davis; in the last analysis a struggle of the local party organizations, especially the Republican led by Maurice Maschke, to remain in power. The resulting combinations on both sides produced strange bed-fellows.

THE DAVIS FORCES

Probably the strongest active group supporting Davis was the labor element. The Cleveland Federation of Labor endorsed his amendment and President Harry McLaughlin campaigned actively in its behalf. Labor's chief grievance seemed to be against past activities of City Manager Hopkins and the council, who were considered hostile to union standards. Especial displeasure was voiced over the application of the Sulzmann salary ordinance and particularly as regards the payment of overtime to city employees. As one prominent labor leader said in the campaign, "Hopkins has denied overtime to certain workers of this city while every contractor does grant overtime to those he employs. Hopkins is the leader of the group which means to destroy organized labor in Cleveland. This fight means the life and death struggle to the labor movement. Lose this fight and organized labor is done." Evidently the labor leaders felt that their interests would be given more consideration if Davis would return to power. Opposition to the council-manager plan and proportional representation was also manifest among them. A pamphlet issued by the Cleveland Federation of Labor stated, "The City Manager Plan is un-American, undemocratic and autocratic and should not be tolerated by anyone who desires to conserve the liberties of the people." Proportional representation was also denounced in this pamphlet. However, most of the time of the labor leaders was spent in attacking the city council, City Manager Hopkins and the leaders of the party organizations.

Some labor support was anti-Davis, a few labor union locals particularly among the railroad groups declaring against the Davis amendment. Thomas S. Farrell, president of the waiters union and former public utilities director under Davis, and Rose Moriarity, appointed to the state industrial commission by Davis, campaigned actively against his amendment.

The defection of the leaders of the Cuyahoga Democratic Club from their party organization deserves mention. This rebellion on the part of a younger group of Democrats was due to dissatisfaction with the leadership of W. Burr Gongwer, chairman of the Democratic County Executive Committee. Thus it happened that a few Democrats prominent in the organization campaigned actively for a charter amendment sponsored by a Republican which the official organization was seeking to defeat.

Davis naturally had a considerable personal following as well and the active campaign support of Walter D. Meals, a former law partner of Maschke. And yet most of the political aides that held office during the Davis administrations took the stump against his amendment in this election.

Cleveland has a serious unemployment problem but conditions are probably no worse than in many other cities. The Davis forces were able to make effective political capital of this in the campaign speeches.

THE ANTI-DAVIS FORCES

There was an amazing diversity in the organizations, groups and individuals uniting to defeat the Davis amendment. In the forefront were the official organizations of the Republican and Democratic parties, which the passage of this amendment would have threatened. In special danger was dominant control of Maschke, the Republican leader. Both party organizations are unfavorable to proportional representation and neither party has shown any enthusiasm for the council-manager plan, as such. However the adoption of the manager charter did not demoralize the existing party organizations; despite the council-manager plan the present municipal government is not insensitive to party influence. But support of the record of the council and the city manager by the campaign speakers representing the official party attitude seemed to imply endorsement of the present council-manager charter—a rather awkward situation. As Professor A. R. Hatton put it in a recent talk, "The Democrats and the Republicans have no use for the present charter but they were driven into the position of defending it to preserve themselves against the threat of Harry Davis." Naturally, the party speakers, when not attacking Davis, placed most of their emphasis on the record of City Manager Hopkins rather than on the merits of the council-manager plan.

Another organization actively concerned with the outcome of the vote was the Citizens League of Cleveland. Being also anti-Davis, the officials of the League found themselves fighting shoulder to shoulder with the leaders of the two parties! The attorney of the League, Francis T. Hayes, took an active part in the campaign speaking against the Davis charter proposal. The Charter Commission proposal of the Citizens League was endorsed by the two parties—in fact the leaders of three organizations met in conference and selected the fifteen designated candidates on the Charter Commission ballot. The chief interest of the Citizens League in this campaign was to preserve the council-manager plan for Cleveland.

The possibility of the repeal of the council-manager charter and the return of Harry L. Davis as mayor aroused many other groups to action. Numerous church organizations endorsed the present government and opposed Davis and all his political works and ways. Rabbi Abba H. Silver defended the council-manager plan in an able keynote speech made before an audience of 2,500 people. This was the first time, he said, that he had spoken from a political platform during his career in the ministry, but the moral seriousness of the present attack on good government justified his action. The Reverend Joel B. Hayden was also active against the Davis amendment, as well as a number of clergymen prominent in the Catholic Church.

The women seemed especially interested in the retention of the council-manager plan. The Women's City Club and the local branch of the League of Women Voters were both in favor of retaining the present charter. Women industrial leaders in the city organized to combat the Davis amendment, while both parties had women chairmen directing the activities in the wards and precincts.

The Chamber of Commerce in a published statement urged the defeat of all three amendments saying that the time was too short as yet to pass on the merits of the council-manager plan. This public alignment of the Chamber of Commerce was repeatedly called to the attention of the voters in the labor

districts by the Davis speakers and with considerable effect. Of the three newspapers in Cleveland the *Press* and the *Plain Dealer* were strongly anti-Davis while the *News* was non-committal.

THE CAMPAIGN AND THE ISSUES

This campaign was no pink tea affair. Political tricks of every description were used to get votes. For the most part the audiences at the meetings were strongly partizan and the few that had the temerity to heckle were ousted with scant ceremony. It developed into a continuous round of charges and counter-charges involving personalities, records and motives. Party loyalty was often stressed by the anti-Davis speakers. The Davis speakers said their cause was that of the people against the big business interests. Davis himself stated that his only interest was that the government should again be returned to the hands of "the people" by allowing them to elect their chief executive. Numerous meetings were held every evening during the three weeks of active campaigning. The voters were given many elementary lessons on how to cast their ballots—especially on the Davis side due to the similarity of the Davis and Harris amendments. There was an excess of dodgers, pamphlets, placards and also considerable bill-board advertizing. Through it all the voters maintained an unusual interest despite the confusion that must have existed in their minds as to what it was all about.

The adoption of the Davis amendment would have eliminated the council-manager plan and restored the mayor-council form. But the speakers, with a few prominent exceptions, showed little inclination to discuss the merits of these issues. The anti-Davis speakers centered their attack on Davis and his proposed charter. The Davis speakers dubbed the council-manager plan as "czaristic" and proportional representation as a "joke," but the argument seldom reached any higher level. One of the significant characteristics of the campaign was the widespread apathy and antagonism exhibited toward proportional representation.

THE ELECTION RESULTS

The election results as they affected the present charter are as follows:

	For	Against
Davis amendment	73,732	80,148
Harris amendment	34,654	113,249
Friebolin amendment	43,910	101,318
Charter commission	53,157	72,215

The Davis amendment was defeated by a majority of only 6,416. The election result is a distinct threat to the political leadership of Maschke in Cleveland and Cuyahoga County. Although the Davis amendment lost, it carried seventeen of the thirty-three wards of the city. Evidence of assistance to the Davis campaign from down state Republican forces shows that the election is of more than local significance since Maurice Maschke is also Republican national committeeman from Ohio.

ELECTION FRAUDS

Immediately after the election, the Davis forces, claiming that they had lost many votes through fraud, secured a temporary injunction from the common pleas court prohibiting the board of elections from certifying to the election results. They also appealed to Governor A. V. Donahey to order a special investigation but he has taken no action. County Prosecutor Edward Stanton requested the Davis forces to present their evidences of fraud to the grand jury for investigation but this was not done. Later Mr.

Stanton filed a demurrer to the temporary injunction alleging that the Davis petitioners should have asked for a recount instead of asking the court for a new election date and that the time for filing a recount petition expired December 1. Final hearings on the fraud charges are set for the early part of January, the temporary injunction still being in effect. Independent election fraud evidence was brought before a local justice of peace court by Councilman W. J. Kennedy but nothing of importance developed as a result of these hearings.

NEW ATTACK PLANNED FOR APRIL

The Davis forces seem determined to continue the fight for their charter proposal. In the early part of December Attorney Richard E. Collins announced in behalf of the Davis organization that the charter amendment had been redrafted with only minor changes. No change was made in some of the provisions severely criticized during the campaign. These included the unusual powers of the mayor, his $25,000 salary and the clause providing that the minimum wage for city employees should be $2.50 per day. It is expected that petitions will be circulated to put the redrafted charter on the ballot at the presidential primary election on April 24. Though the new charter has been ready for a number of weeks petitions have not as yet been circulated.

The party leaders with the present election out of the way are insistent that proportional representation be eliminated from the present charter. Mayor John Marshall has appointed a councilmanic committee to hold public hearings at which proposed changes in the present charter may be presented. No hearings have as yet been held but it is possible that the party leaders will submit an amendment to the present charter eliminating proportional representation, if the Davis amendment is resubmitted.

The most interesting development after the election has been the apparent reconciliation between City Manager Hopkins and the officials of the Cleveland Federation of Labor. There are indications however that the rank and file of labor are still willing to support the Davis charter proposal in another campaign even though the leaders remain neutral. So it may be that the harassed voter will have to pass again on the merits of the present charter at the spring election.

SAN FRANCISCO PROPOSES A NEW PLAN FOR MUNICIPAL OPERATION

BY DELOS F. WILCOX

The board of supervisors have presented a charter amendment to consolidate all her utility enterprises under a single utility commission.

ALONE among the great cities of the country, the city of San Francisco has been committed by its charter for many years to the general policy of municipal ownership. It has been operating a system of municipal railways since 1912, in partial competition with the privately owned systems, and has committed itself politically and otherwise to complete municipal ownership and operation of street railways, water supply, and electric lights and power, at least.

After fifteen years of experience with municipal operation by the board of public works under the more or less minute control of the board of supervisors, the city has become conscious of the need for a more effective plan of municipal operation, and there seems to be practical unanimity in public sentiment for the establishment of a non-political utility commission to administer all the city's utility enterprises. A charter amendment providing for such a commission has been drafted, and has been approved by the board of supervisors to go on the ballot in November, 1928. After being ratified by the people, all city charter amendments in California are subject to approval by the legislature; but thus far, such approval has always been given without question or delay.

THE CHARTER AMENDMENT

The San Francisco plan for the administration of municipal utilities, if adopted, will set a landmark for the entire country. The comprehensive nature of the plan is expressed in the first section of the proposed charter amendment as follows:

> The construction, management, supervision, maintenance, extension, operation, and control of all public utilities and other properties, used, owned, acquired, leased or constructed by the City and County of San Francisco, as well as all extensions, additions and betterments thereto, for the purpose of supplying to the said City and County and its residents and inhabitants, and territory outside the limits of said city and county and the residents and inhabitants thereof, with water, light, heat, power or transportation shall be exclusively vested in a utility commission of three members, anything in this Charter to the contrary notwithstanding. The commission shall have power to make all rules and regulations not inconsistent with the provisions of this Article which it deems necessary or proper for the conduct of its business and the regulation of the matters herein committed to its charge.

The commission will consist of three members appointed by the mayor subject to confirmation by the board of supervisors. The terms of office will be six years, except that the first appointees will hold office for two, four, and six years, respectively. Commissioners will be removable in the same way as elective officers.

The commission must appoint, as its chief executive and administrative official, a manager of utilities, who need not be, at the time of his appointment, a resident of the city. The commission may create departments or bureaus, with sub-managers or directors. Neither the manager nor the sub-

manager will be subject to civil service rules, and they will hold their positions at the pleasure of the commission. An auditor and all the other employees, subordinates and assistants required for the conduct of its business may be appointed by the commission subject to civil service rules, except that persons employed on construction work outside of the city and one personal secretary or confidential clerk to the manager and each sub-manager will be exempt. Also the civil service rules will not apply to "persons employed for temporary service in positions requiring high techincal skill." The operating employees of any utility taken over by the city will retain their positions and acquire a status in the civil service, if they have been employed for at least a year before the utility is taken over.

POWERS OF THE COMMISSION

Salaries, wages and working conditions are to be fixed by the commission subject to the limitation of the hours of labor prescribed by law and by the charter. The charter contains the following provisions for platform men and bus operators on the Municipal Railway:

> The basic hours of labor shall be eight hours, to be completed within ten consecutive hours; there shall be one day of rest in each week of seven days; all labor performed in excess of eight hours in any one day or six days in any one week shall be paid for at the rate of time and one-half.

The manager of utilities will have the power of suspension over the employees of the commission for cause or for disciplinary purposes. The commission may continue a suspension for disciplinary purposes for a time not to exceed thirty days, and may order the manager to prefer charges against a suspended employee. Removals by the commission will be subject to the appeals provided for in the civil service rules.

The commission will have power "to make contracts for work, supplies, materials, or equipment" when the cost can be met out of current revenues or from the funds appropriated for its use or derived from the sale of bonds authorized for the construction or acquisition of public utilities. Construction work is to be done by public contract unless, upon recommendation of the manager, the commission decides that the work can be more advantageously carried on by its own employees. The commission may make its own rules in regard to public letting, but they must provide for at least five days' advertising for bids and award to the lowest responsible bidder, with the right to reject all bids and readvertise, or to reject the proposal of any bidder who in the opinion of the commission is not competent to fulfill the contract.

One of the greatest problems in municipal operation of street railways is the control of extensions. In this matter the commission will be supreme.

Accounts are to be kept separately for each utility in the form prescribed by the railroad commission for utilities of like character, and other necessary accounts, accounting forms, and procedure are to be maintained as prescribed by the utility commission. Monthly reports of receipts and expenditures, for each utility, and annual reports, are to be filed with the board of supervisors and printed for public distribution.

FINANCIAL PROVISIONS

The manager of utilities must prepare a separate annual budget for each utility. After public hearings the commission may adopt this budget, or modify it. Copies of the budget as adopted must be filed with the mayor and with the board of supervisors, and

expenditures are not to exceed the appropriations for the respective items in the budget as adopted. Each utility is to be self-sustaining unless funds for its relief are appropriated by the board of supervisors.

The funds of one utility may not be diverted to any other utility, but any surplus accumulated in excess of a maximum fixed by the commission will be automatically transferred to the city's general fund. However, by unanimous vote the commission may adopt "a program for the accumulation of a surplus to cover a period not exceeding ten years, for the purpose of financing extensions and additions to existing utilities out of said accumulation." No funds accumulated from one utility may be used to pay for additions or extensions of another utility, and no surplus accumulated for additions and extensions may be used for any other purpose unless authorized by the board of supervisors by ordinance.

The commission will have authority to capitalize interest during construction, and for a period of not more than six months after the completion of construction.

The receipts from the operation of each utility are to be paid into the city treasury and kept in a separate fund from which the commission may make appropriations for the following purposes in the order named:

(a) For payment of the operating expenses of such utility, including pension charges and compensation insurance;

(b) For repairs and maintenance;

(c) For depreciation and accident reserves;

(d) For payment of interest and sinking funds on the bonds issued for the acquisition or construction of such utility and extensions thereto;

(e) For reserve funds out of which to construct or acquire extensions and betterments to said utility;

(f) For a surplus reserve.

The commission must maintain pension and compensation insurance accounts, with annual estimates of the proper reserves required therefor. The manager must appraise the lines of the several classes of property for each utility and determine the amount of a reasonable reserve for depreciation and obsolescence as they accrue, subject to reappraisal once in five years. Pending such appraisal the monthly appropriations to the reserve are to be on the basis of four per cent per annum on the historical cost of the utility property. Reasonable accident reserves also must be maintained out of revenues subject to a reappraisal every five years.

RATES AND FARES

The commission will have power to fix and adjust rates and fares. Rates may be fixed at varying scales for different classes of service or consumers; and the rates so fixed "must include rates for services rendered any department or other utilities of the City and County." The rates fixed must be such that the aggregate revenue derived from them for each specific utility "shall represent not less than the actual total cost of the service of that utility as determined by the commission; provided further, that when the utility commission on the basis of a financial analysis in writing by the manager of utilities, may recommend to the board of supervisors a scale of rates under which estimated aggregate revenues from a specific utility may represent less than the actual cost of the service rendered by such utility, the board of supervisors, by a two-thirds vote of all members, may authorize such scale of rates, and must, at the same time, specify the manner in which the estimated annual operating deficits will be met. Such rate schedule may then be adopted by the commission."

The commission may provide for the rendition of utility services outside of the city limits at rates which may include proportionate compensation for interest during construction paid out of taxes.

Each utility must pay out of its revenues the cost of services rendered to it by other departments and utilities, and in its use of the streets the commission must obey all ordinances, and regulations of the board of public works in regard to street openings, and must pay the same fees in connection therewith that privately owned utilities would have to pay.

The commission, with the approval of the board of supervisors, will have authority to lease lands under its control for periods of not to exceed ten years, and will have power to acquire by purchase, lease, condemnation, or otherwise, property within or without the city limits which it may deem necessary for the construction, maintenance, extension or operation of the works under its control.

A PROPOSAL TO CURE VOTE-SHIRKING

BY VICTOR ROSEWATER, Ph.D.
Philadelphia

Voting-by-mail will remove the deterrent imposed by involved systems of personal registration and facilitate casting the ballot on election day.

It is undeniable that there has been a deplorable increase in the number of vote-slackers in the United States. Whether the stay-at-homes constitute 52 per cent of the total entitled to vote, or not over 40 per cent, does not invite debate since, either way, the figure is altogether too large and betokens a real menace to democratic self-government. If people possessing the suffrage will not help govern themselves, they will be governed by others, and very likely in a manner neither satisfactory nor creditable.

But how remedy the ominous situation? A variety of ways to solve the problem are being suggested, most of them intended to convert the non-voter by inflicting a penalty that will force him to the polls or to the police court. "Deposit your ballot or deposit your fine," would be the gist of the law with, presumably, a jail sentence in the offing. While something, no doubt, can be said in its favor, compulsory voting has serious limitations. Voting, in its very essence, denotes a choice, and a free choice, between candidates, or for or against measures, and a compelled choice defeats its own object. Obviously, a man compelled to vote as some one else dictates merely enables the boss to vote a second time, or as often as he can enforce his will on others. And a man compelled to vote, yet with no will to vote and no choice to express, is apt to mark his ballot hit or miss, or to become the puppet of another. Threat of a tax or fine for not voting is but the reverse of an offer of a premium for voting. "You will be better off by five dollars or ten dollars (or whatever penalty be fixed) if you vote," is exactly what the vote-buyer tells his prospect—the only difference being the added condition in the latter case that the beneficiary "vote right."

FOOLISH HURDLES

The proposal to tax non-voters assumes that the great body of those who now do not vote abstain deliberately and refuse, through indifference, prejudice, disinclination, or sheer viciousness, to do their plain duty. In point of fact, this is a far-drawn conclusion. Some of the slacker vote probably is explainable on the ground of crass laziness. Again some of it is due to a feeling that the effort is useless or needless, especially where no issue is at stake, where no hot and heavy campaign has been waged to excite popular interest and stir the public to participation. But much of the seeming lethargy, altogether too much, is chargeable to the hurdles which, by our registration and election laws, we put in the way of voting—to absurd laws that make it hard to vote instead of facilitating voting.

In some of our states, for example, a tax is imposed, not on non-voters, but on voters. Pennsylvania, that hobgoblin of gang rule, limits the franchise to taxpayers and makes the exhibit of a tax receipt prerequisite to registration. The "machine" of course sees to it that its cohorts procure the necessary poll tax receipts—but how many independent citizens refuse to step up to the counter and pay for the privilege of voting? It should be understood that, in Pennsylvania, the poll tax is collected right in the registration booth, that no attempt is made to collect it from non-voters, that its payment carries no other connotation. Similar poll taxes, payable far in advance of the election, have long furnished a favorite device in certain southern states for keeping the blacks from the polls, and it is said a high grade of ingenuity has often been developed to lure the receipts away from those who insist on paying.

REGISTRATION SYSTEMS EFFECTIVE DETERRENTS

When it comes to registration as we commonly practise it, let us be honest with ourselves and confess that it would be difficult to produce any more effective vote-deterrent. The man or woman who asks to be registered is regularly treated like a criminal being subjected to a Bertillon measurement. Every voter is presumed to be a colonized crook or an imminent repeater until he proves himself innocent. The answers that must be recorded correspond with those inscribed under the pictures in the rogues' gallery—name, age, birthplace, location and length of residence, height, weight, color of hair and eyes, physical defects, and what not. More sensitive folks, especially women, are frightened into vote-shirking than are brought to the polls by all the pulpit preaching.

Then think of the multiplied demands for sacrifice of time just when time means money, the distances to be traveled, the distasteful polling places, the standing in line, the broken engagements. All this has to be undergone in most of our states not once or twice only, but once every year for registration and again and again for every regular and special election that may be held. Some commonwealths have successfully installed permanent registration which, at least, has the advantage of exacting personal appearance to register only a single time, barring change of residence from one district to another. Let none of us, however, underestimate the obstacles to voting in the necessity of repeated registrations, in the numerous trips to polling places to mark and deposit ballots, in all the annoying loss of time, embarrassing questions, interference with business and social

engagements, and the apparent ineffectiveness of the act. Under such circumstances, it too frequently looks easier to "let George do it."

THE VOTE-BY-MAIL PLAN

If we will realize that vote-shirking is ascribable, at least in part, to our over-complicated election machinery, we will approach the problem from a different angle and ask ourselves new questions. Before putting a tax on non-voting, why not take off the tax on voting? Before fining men and women for failing to present themselves to registration and election officers and submit to an inquisition from two to six times a year, why not credit most folks with a desire to do their duty so far as they know how and try to do something to smooth for them the path to the ballot box?

The vote-by-mail plan, inaugurated by certain states a few years ago in the interest of the traveling salesmen and later extended to the soldiers in camp, may point a way. Uncle Sam's post office service has come to cover practically all the inhabited area of the country and can be made to reach every person entitled to vote regardless where he happens to be. If people who are out of town on election day can be provided with ballots, be allowed to mark them at leisure, and have them gathered in by mail and counted for the election, all under proper safeguards, surely the same privilege could be accorded to people who are not out of town. What logic is there in compelling a person to leave his home in order to enjoy the benefit of postal voting? To be able to vote by mail from your own fireside is not an ultra-Utopian idea. Even registration by mail, or through the mail carrier, does not stretch the imagination to the breaking point. Consider for a moment what improvement would be thus brought about. Ballots with full instructions mailed in ample time to you and every person on the officially verified list of voters. Ballots prepared by each voter carefully and thoughtfully, no confusion or haste because of the long line waiting impatiently behind you. Ballots distinctly marked and affirmed under oath to record your uncoerced, unbought choice, then sealed and called for by the postman on the day set by law. An opening for fraud—possibly, but no more than now and no more difficult to prevent or to detect. No interference of inclement weather, no stay-at-homes on account of bad roads, no necessary abstention because of weddings, religious holidays, accident or sickness that does not impair the faculties. Little or no possibility of detention through overlapping working hours, not so feasible for the employer to disfranchise employes unsympathic to his preferences. Every qualified elector would have an unimpeded chance to vote and loss of vote would be, in nearly every instance, self-inflicted.

It goes without saying that we would be foolhardy to expect such a radical step to be taken over night, or in a short time, or for the whole country at once. All our important electoral reforms have reached us piece-meal after much pioneering and experimentation. Fortunately, our federal system of government, which leaves to the constituent commonwealths the enactment and administration of election laws, permits and encourages this very thing. We have several states that shine as groundbreakers in reform legislation—legislation which, when shown to be salutary, has been adopted more or less generally. There should be at least a few progressive commonwealths whose people have sufficient confidence in their own

intelligence and integrity to trust themselves. Once set in motion by one or two of these states, discarding the inherited straight-jacket election machinery and substituting a well-worked-out scheme of universal voting by mail, a complete transformation of our elections would in time be accomplished whose efficacy would then rest entirely on the political education of the people.

IS THE SLACKER VOTE A MENACE?

BY WILLIAM B. MUNRO
Vice President, National Municipal League

Get-out-the-vote propagandists have a mistaken theory of popular government. :: :: :: :: :: :: :: ::

SURELY it takes some hardihood to answer this question in the negative. Everywhere we hear it proclaimed that voting is a duty imposed on men and women by the very nature of popular government; that this duty is being widely evaded, and that the evasion on so large a scale constitutes a grave menace to the very existence of free institutions. Our newspapers and our uplift organizations are warning the people that the situation is fraught with danger, and telling us that "Rome fell because her citizens became indifferent to their civic obligations." Even the President of the United States has deemed it worth while to join in the appeal for a better attendance at the polls. This solicitude for the stay-at-home voter seems, indeed, to have become a nation-wide obsession, and to protest against it is like the voice of one crying in the wilderness.

FALLING VOTE DESPITE BALLYHOO METHODS

The statistics of non-voting, of course, look formidable. We must have about sixty million eligible voters in the United States. But out of this total it is figured that nearly a third have never taken the trouble to get themselves registered as voters. That leaves something above forty million registrants. Of these, only 22,000,000 went to the polls in the congressional election of 1926. True enough, this was an off-year election; but the total polled vote at the presidential election of 1924 did not rise above 30,000,000. The proportion of stay-at-homes is often 25 to 30 per cent, even in lively campaigns; and when there are no important contests on the ballot it sometimes runs to 50 per cent, or more. Taking the average for all our elections, national, state and local, it can fairly be said, therefore, that what we really have in this country is not government by a majority of the people, but government by a mere plurality of the politically-interested.

Nor does the situation seem to be growing better. The proportion of the polled vote to the total vote is, on the whole, smaller than it was twenty-five years ago. It has been suggested that the ratio used to be larger because there was more repeating, personating and fraudulent registration in the old days; but that explanation hardly accounts for the whole discrepancy. Everywhere there are indications that electoral apathy is growing, not de-

creasing. And this in spite of the country-wide efforts that are being made by organizations of all sorts to increase the attendance at the polls. A dozen of them are at it—the National Civic Federation, the Daughters of the American Revolution, the National League of Women Voters, and the National Association of Manufacturers (with its slogan of "vote as you please, but vote"), not to speak of chambers of commerce, Rotary and Kiwanis clubs, and various other organizations. Not long ago a National Get-Out-the-Vote Club was formed, with headquarters in Washington and branches all over the country. Large amounts of oratory and effort, along with considerable sums of money, are being expended in bawling at the voters whenever any sort of election is approaching—bombarding them with appeals to vote whether they are interested or not, whether they know anything about the candidates or not, in other words, to vote for the sake of voting.

In a certain western city, at a recent election, the Chamber of Commerce hired a staff of clerks for the day and had them call up every name in the telephone book with the injunction: "Go to the polls and do your duty. Don't be a civic slacker." The cost of doing this was considerable; it demoralized the whole telephone service during the day and the results were negligible so far as increasing the size of the total vote was concerned.

In another city several hundred Boy Scouts were kept at home from school in order that they might stand near the polling booths and hand out buttons inscribed: "I have voted, have You?" Such gestures mean little or nothing in terms of enlightened citizenship.

Worst of all is the insincerity which characterizes much of this endeavor to inflate the ballot box. Not long ago, one of the candidates for the governorship in a middle-western state bellowed at his people from the stump: "I want your votes, but if you can't vote for me, vote for my opponent. Don't stay at home. Come out and vote for somebody." Of course he didn't mean what he said. It was hillbillie hokum of the first order. No candidate ever honestly desires a bumper vote in the interest of his opponent. It is contrary to human nature.

The whole thing shows how enslaved we have become to impostor pietisms about bad citizenship, and everyone's "sacred duty" to vote. There is nothing in our constitutions, laws, nor civic morality which makes it the duty of any man to vote unless he feels that he can thereby contribute to the greater effectiveness of popular government. To vote unintelligently is a greater disservice to the commonwealth than not to vote at all.

People do not become good citizens by going to the polls. They go to the polls because they are good citizens. They go when and because they are interested. They stay away because they have no interest, or too little interest, in the issues or the candidates. And when one reflects upon the kind of issues and candidates that are so often presented to them, this lack of popular interest is hardly a matter for amazement. Many voters remain befogged, confused, bewildered, because that is what the leaders often intend them to be.

In such cases is there anything to be gained by having them certify their bewilderment and lack of knowledge at the ballot box? It is hard to see what real service can ever be rendered to the cause of enlightened government by the mere expedient of herding to the polls, with some sort of militant propaganda, a larger number of uninterested,

uninformed, reluctant people who go because they are shamed into it by clarion calls to the performance of their duty as citizens.

We ought to concentrate our energies upon the task of clarifying the issues, vitalizing the party system, and improving the quality of the candidates as a means of getting the people interested, informed, and aroused between elections. We should do this by making the governmental process simpler, not more complicated. We should try to increase, not simply the total number of voters, but the number of intelligent voters who will go to the polls of their own accord and who will know what they want when they get there. We need more widespread and better-sustained campaigns of civic education the year round, and less of this ballyhoo at the moron vote on the eve of an election day.

ARE THE WELL-TO-DO THE CHRONIC NON-VOTERS?

There is a common impression that chronic non-voters are to be found chiefly in the ranks of well-to-do, educated people who ought to know better. Everywhere you hear it said that the crowded, proletarian precincts always poll the highest percentage of votes in proportion to their population, and that the fine residential wards make the poorest showing. It has become one of the formulas of practical politics, so often repeated that most people believe it to be true. But it has never been proved. On the contrary, every study that has been made of this matter indicates that the best showing at the polls is often made by the best neighborhoods.

Let us look for a moment at the results of these investigations. One of the best and most comprehensive is the one made three years ago in Chicago under the direction of Messrs. Charles E. Merriam and H. F. Gosnell.[1] This investigation covered many thousand non-voters and clearly indicated that electoral indifference was the chief cause of abstention from the polls and that this indifference was closely associated with political unintelligence.

A less extensive but even more searching study was made by Dr. Ben A. Arneson in the city of Delaware, Ohio, two years ago. This investigation covered the entire voting population in a typical mid-western community of about 9,000 population.[2] Dr. Arneson found that the percentage of non-voters was smallest among public officials and public employees, professional men, teachers, business executives, persons engaged in banking, insurance and real estate, merchants, and men engaged in the skilled mechanical occupations. It proved to be highest among laborers, unskilled mechanics, clerical employees, people engaged in domestic and personal service; and highest of all among persons of "no occupation." The best showing at the polls was made by heads of families, who had lived for more than two years in the community and who owned their own homes. Contrary to the popular impression, moreover, his investigation showed that the percentage of non-voters among college graduates was only about half that found among persons who had merely an elementary school education.

In support of my contention that the poorer neighborhoods do not regularly make the best showing at the polls, as is so commonly believed, let me give a couple of illustrations. I have taken them from Boston and Cambridge, two communities which

[1] It is published in a volume entitled *Non-Voting* (University of Chicago Press, 1925).

[2] The results may be found in the *American Political Science Review* for November, 1925, pp. 816–825.

	East Boston			The Back Bay		
	Ward 1 (Formerly Wards 1 and 2)			Ward 5 (Formerly Ward 8)		
Date	Registered vote	Polled vote	Percentage	Registered vote	Polled vote	Percentage
1916	8,023	5,827	73%	4,801	3,517	73%
1917	7,843	5,704	73	4,551	3,398	75
1918	7,441	2,990	40	4,128	1,775	44
1919	7,917	2,704	34	4,589	1,882	41
1920	12,237	3,163	26	10,664	3,564	33
1921	12,288	9,233	75	10,314	7,913	77
1922	13,331	4,190	31	10,188	4,027	40
1923	12,265	4,541	37	9,243	4,499	49
1925	12,916	10,050	78	10,065	7,661	76
Total	94,261	48,402	52%	68,543	38,236	55%

are near at hand. Above are the figures for two Boston wards. One of them includes that part of the city known as East Boston, which is largely inhabited by workers. In an economic sense it is clearly one of the poorer sections of Boston. Politically, it is heavily Democratic. The other ward is made up very largely of the Back Bay, the city's best residential district, the habitat of Boston's aristocracy and intelligentsia—at any rate what is left of it.

Here is a condensed table showing the results in two sections of Cambridge, Massachusetts, at the state and national elections of the past decade.[1]

Wards 1 and 2 are in East Cambridge, and form a typical working-class, tenement-house, semi-industrial section. Wards 8 and 9 include Harvard Square, the Brattle Street area, and the best residential district of Cambridge. Being adjacent to Harvard University, these two wards contain a heavy sprinkling of college professors and instructors. But even the presence of the latter does not appear to have turned the district into a slacker's paradise.

At the meeting of the National Municipal League, when I read this

[1] I have not included the municipal elections because some of the councilmen are elected by wards. At these elections there is sometimes a bitter contest in one ward and no contest at all in another. This makes a fair comparison impracticable.

	Ward 1	Ward 2	Ward 8	Ward 9
1918 State election	59.4%	57.9%	65.6%	70.0%
1920 Presidential election	74.7	71.6	85.6	84.8
1922 State election	77.0	76.1	76.4	79.2
1924 Presidential election	85.0	87.3	88.7	90.0
1926 State election	75.3	70.6	82.3	80.3
Average	74.3%	72.7%	79.7%	80.8%

paper, a delegate from one of the Detroit civic organizations interposed to remark that whatever might be the situation in Chicago, Delaware, Boston, Cambridge, or other cities, it was an "obvious fact" that in Detroit the well-to-do neighborhoods regularly failed in their civic duty as compared with the poorer districts. This assertion does not seem to be borne out by the figures. Here is a tabulation showing the polled vote cast at the last Detroit mayoralty election in six districts of each type. They have been selected at random from the poorer sections and the well-to-do districts of Detroit.

The former is a sailor, lodging-house, cheap-tenement area; the latter is an extra high-grade residential section, the locus of Detroit's old aristocracy. The former polled 33.7 per cent of its registered vote, while the other polled 56.9 per cent.

It should be mentioned, however, that Detroit has a system of semi-permanent registration, and hence it is quite possible that the registration figures are higher in the poorer districts than they ought to be, due to the shifting of population there. On the other hand, the wet *versus* dry issue figured rather heavily in the last Detroit election and brought out a larger

Poorer Sections

Ward	District	Registered vote	Polled vote
1	1	970	328
1	9	831	303
3	5	1,296	408
3	7	1,262	528
5	4	1,684	522
5	5	1,456	526

Percentage of polled vote, 34.8%

Well-To-Do Sections

Ward	District	Registered vote	Polled vote
12	27	1,047	720
17	3	1,127	472
17	6	675	337
17	10	723	412
21	54	1,394	1,013
22	9	706	517

Percentage of polled vote, 45.3%

Now it will be observed that the selected districts from the well-to-do sections made a distinctly better showing, in point of attendance at the polls, than did the selected districts in the poorer sections of the city. Compare, for example, District 1, Ward 1 (the "foist of the foist," as it is locally designated), with District 10, Ward 17. vote in the poorer districts than is usually polled there.[1]

True enough, these various studies and illustrations cover only a few spots

[1] For these figures and comments I am indebted to Dr. Lent D. Upson, director of the Detroit Bureau of Governmental Research, and to Mr. Oakley E. Distin, secretary of the Detroit Election Commission.

in a vast country. One cannot safely generalize from them. But it is at least a striking coincidence that they all point to the same conclusion, and there is no good reason to believe that a nation-wide survey of non-voting, as related to neighborhoods, occupation, education, and intelligence would warrant an altogether different assertion. Professor Charles H. Titus, for example, in his recent study of California cities, has found that non-voting appears to vary with density of population—the larger and more crowded the community, the higher the percentage of registered voters who stay away from the polls.[1] Dr. Harold F. Gosnell of Chicago, who recently undertook an interesting experiment in the "stimulation" of non-voters, reached the conclusion that "persons with some knowledge of politics and government are much more apt to vote than those with little knowledge of governmental matters." Among the latter he includes persons with little or no schooling such as negroes, foreign-born and foreign-speaking women, and poor native whites who have failed to make proper social and economic adjustments to the complexity of modern city life.[2]

Now if this be true, the so-termed slacker vote can hardly be looked upon as a "menace" to anything except the political machine which depends for success upon herding a high percentage of propertyless, semi-illiterate, uninformed and undiscriminating voters to the ballot box on election day. May it not be that our uplift organizations, in their rabble-rousing campaigns to "harry the slackers to the polls," are merely playing into the hands of the boss and doing some of his work for him? That question is worth more consideration than it has received.

[1] This study has not yet been published. I am indebted to Dr. Titus for the privilege of examining his conclusions in manuscript form.

[2] See his little volume on *Getting Out the Vote* (University of Chicago Press, 1927), pp. 109–110.

WHAT DOES OUR THEORY OF GOVERNMENT DEMAND?

It is the theory of popular government that every adult citizen shall have the privilege of voting; but I take issue with the doctrine that either the theory or the practice of popular government requires everyone to exercise this privilege whenever his rulers offer him the opportunity to do so. The safeguard of democratic government lies in the preservation of the opportunity, not in the hundred per cent exercise of it. The great body of the voters form a reserve which can be mobilized to express the will of the people when momentous issues of principle or of policy are at stake. But it does not follow that we need, or ought to expect, a full mobilization when the issues are of relatively slight consequence.

As a matter of fact, the people as a whole appreciate that differentiation and act upon it. Everywhere their ratio of attendance at the polls is in direct proportion to the intensity of the feeling aroused, and this, again, is proportioned to the gravity of the issues that are before them for decision. The people, in fact, are wiser than those who so vociferously undertake to remind them of their duty.

If we undertook to run corporate business on the principle that every stockholder is in duty bound to come and vote whenever directors are to be elected, or routine questions decided, our whole system of corporate organization would break down. Only when some question of deep and real interest arises do the stockholders muster their full strength in person or by proxy. To the extent that government is business (which it has become to a

large extent in the cities) the analogy would seem to hold. It avails nothing, either in business or in government, to make men go through the gesture of displaying an interest which they do not feel. It is easier to get men to vote than to think—and propaganda too often slips into the error of choosing the easiest way.

In this field we can learn something from the experience of Europe. Why do a larger percentage of the people come to the polls there than here. It is not that Europeans are inherently more interested in politics than Americans; and much less is it true that the propaganda for getting out the vote is more active there than here. It is largely because elections do not come so frequently, and when they do come they turn on fundamental issues of policy with a sharp cleavage between the programs of the various political parties. Systems of proportional representation, which are now used in many of the continental European countries, have also had something to do with it. Under such procedure a minority has an opportunity to make its will felt. In the United States, under the straight plurality system, the voter who belongs to a hopeless minority is doing a perfectly futile thing when he goes to the polling booth —and he knows it. To get such voters interested you must give them a fighting chance. In Europe it is the issue that produces the election; in America the election comes on a fixed date and issues must then be dug up for the occasion. It is small wonder that the voter does not let himself get wildly excited about issues which have been produced in that way.

The organizations which are spending so much effort and money in trying to make the country vibrate with this "get-out-the-vote" propaganda, and in promoting a movement for compulsory voting, would therefore do well to ask themselves the question whether an enterprise which confines itself to a mere trumpeting of platitudes about the duty of the sovereign citizen, and the menace of electoral inertia, is likely to contribute anything, in the long run, to a more enlightened expression of the public will. By all the indications it will not. They are applying the stimuli at the wrong spot. What we most need is to make registration less of an irksome task, the ballot simpler (with provision for the representation of minorities), elections less frequent, the issues clearer, party cleavages more distinct and vital, the party programs less evasive, and, above all, to organize our campaigns of civic education so that they will be more comprehensive, more persistent, and more effective in reaching those sections of the electorate which have enough intelligence to understand what it is all about.[1]

One way to bring out the vote is to bring out the issues. "A civic educational program for adults, as well as for children," writes Professor Harold F. Gosnell as the result of his experiment in vote-stimulating, "would undoubtedly have an immediate and continuous effect upon the interest shown in elections." We should, therefore, study the processes by which sound ideas and sure information can be most effectively lodged in the public mind. At present we have not got beyond the technique of the circus barker.

[1] It is encouraging to see that the National Civic Federation, one of the most active of the various organizations in the warfare on slacker voting, has adopted this point of view. In a recent announcement this Federation declares that its future program will include three aims, "first, to educate the voter on the questions; second, to get out the vote; and third, to have it counted as cast." In other words, the work of informing the voter concerning the issues is put first in the order of importance.

N. A. L. G. O.

NATIONAL ASSOCIATION OF LOCAL GOVERNMENT OFFICERS

BY CLINTON ROGERS WOODRUFF

An organization of local government employees performing a notable service for its members and for the nation. :: :: :: ::

ENGLISHMEN have a happy faculty of giving short titles to their organizations, which helps in identifying them as well as in giving them a desirable publicity. N. A. L. G. O. is the popular title by which that large and influential body of men and women engaged in the administration of local affairs in Great Britain is known. The official name is National Association of Local Government Officers.

Organized in 1905 it now has 39,875 members according to the report of the president at the meeting in Bournemouth (June, 1927), an increase of 2,756 over the previous year. The beginning was a modest one in London and the date July 29, 1905. Prior to that date a Municipal Officers' Association had been in existence in London, and there were one or two guilds in the provinces. Probably the Liverpool Municipal Officers' Guild was the first organization of this character, in the activities of which, H. E. Blain (now Sir Herbert E. Blain, C.B.E.) had taken considerable interest prior to his transfer to London as the tramways manager of the West Ham Corporation. After his removal to London, Mr. Blain's interest in the organization of local government officers was directed to the London Municipal Officers' Association, and it was due to the threatened disbandment of this Association that he determined that the movement should be placed on a national basis. In this connection he was supported by Sir Homewood Crawford and a few other active spirits. The result was that the conference was held and the National Association of Local Government Officers was formally organized.

It is also interesting to record that at the third meeting, held in Bradford, in February, 1906, a sub-committee, composed principally of representatives of the Liverpool Guild, was appointed to consider, to draft, and to submit to the council, a bill containing superannuation and security of tenure office clauses.

MEMBERSHIP

At the end of the first year the total membership of the Association, including affiliated professional and sectional organizations, was 8,122 drawn from sixteen local guilds and associations, certainly a most remarkable initial growth showing the need for the organization and the general interest in it.

The president since 1911 has been A. P. Johnson, M.A., town clerk of Hampstead, who has gained a great reputation as a presiding officer. Since 1918 he has also been chairman of the National Executive Council.

Some idea of the methods of increasing the membership may be gathered from a series of resolutions adopted in 1925 and published in the annual report under the head "Peaceful Suasion." These resolutions recited that it is now recognized by most, if not all local authorities that it is desirable for

local government officers to be represented, when occasion arises, by an association or union, such as the National Association of Local Government Officers, and that such associations or unions cannot be maintained without the officers contributing to its funds, and that a large number of local government officers benefit through the activities of such associations, without making any financial contribution towards the expenses of such activities; and that membership should be a point of honor on the part of all local government officers and that therefore the Conference requested the National Executive Council:

(1) To ascertain the local authorities, if any, in whose Standing Orders there is incorporated the principle that all officers and servants in their employment should be members of an association or union:

(2) To take steps, if deemed advisable, and with the consent of the branches interested, to secure the recognition of this principle by all local authorities; and

(3) To report the result of its efforts to the Annual Conference in 1926.

Rather a suggestive way to attract members and an effective one, because N. A. L. G. O. has come to be recognized as a potent factor in giving professional standing to those engaged in governmental work and in protecting their rights and promoting their interests.

As indicating the financial strength of the body it is interesting to record that in 1925–1926, new headquarters being necessary, an offer of a freehold building at No. 24 Abingdon Street, Westminister S. W. 1, was received.

The purchase of these premises was authorized and the organization is now housed in a beautiful, commodious and really charmingly remodelled old house, within the shadows of the Houses of Parliament, where N. A. L. G. O. has such close and vital interests.

SUPERANNUATION

Superannuation is one of the big questions now before N. A. L. G. O., and it is receiving that sort of careful, intensive and exhaustive consideration which characterize British government studies. In accordance with the promise made to representatives of the Association in March, 1925, the minister of health established a departmental committee to enquire and to report as to whether any amendments were required in the Local Government and Other Officers Superannuation Act, 1922; and in particular whether it was desirable that the scheme of superannuation established by the act should be made obligatory on all local authorities, and whether that scheme should, with or without modification in respect of particular classes of officers, be made applicable to all persons in the employ of those local authorities other than school teachers and police. The committee decided to commence its deliberations by receiving evidence from the Association in support of amending the act, and in September and October the president of the Association submitted this evidence. There were also in attendance the general secretary, and the Association's parliamentary agent. A summary of the evidence was forwarded to each branch, necessary to recapitulate the arguments in favor of making the adoption of schemes by all local authorities compulsory. A draft bill to amend the act had previously been prepared by the Association, and this was submitted to the committee as a basis for its deliberations.

At the Bournemouth meeting it was reported that the number of local authorities who had adopted the 1922 Superannuation Act had been in-

creased by about 120, a very satisfactory result. They were awaiting with anticipation the report of the Departmental Committee on Superannuation on the question. The decision of the committee would not be known before parliament rose for the autumn recess. Efforts would have to be continued meantime, to induce more and more authorities to adopt the present act. A short time ago the Association was invited by the Royal Commission on Local Government to give evidence on the present position of local government officers. They appeared before the Commission in March and April, and the evidence submitted dealt with practically all the points regarded by the members as essential to service conditions of local government officers and the staffing of local authorities. This was regarded by the president as a distinct recognition of the status and standing of the Association.

One of the speakers at Bournemouth referring to superannuation said that while certain progress had been made with the act of 1922, large areas yet remained uncovered which tended to make for less mobility, less attractiveness and less efficiency. These are three ends which N. A. L. G. O. always has in mind, and to which it persistently directs its attention and efforts.

Other superannuation schemes in which N. A. L. G. O. is interested are the School Teachers Superannuation Act of 1925; the Fire Brigade Officers Pension Act of 1925; the Asylums Officers Superannuation Bill of 1925; the Police Pension Bill of 1926; the Widows, Orphans and Old Age (Contributory) Pensions Act of 1925.

From this brief recital it will be seen that the organization is giving that sort of constructive attention to a highly important problem in local administration and it illustrates the scope and thoroughness of the attention given to such problems. It also affords an example for the consideration and example of American government officials.

COMPENSATION ON ABOLITION OF OFFICE

Compensation for the abolition of offices is another special subject to which constructive attention has been given. Parliamentary bills and orders have been examined, and action has been taken to secure the inclusion of satisfactory provisions for compensation on abolition of office, or on diminution or loss of fees or salary. The Association's solicitors and parliamentary agents have drafted separate sets of model clauses, with precedents and observations, for use in connection with bills and orders to extend borough boundaries; to amalgamate urban districts; and to constitute urban districts. Model clauses, with precedents and observations, have also been submitted to the Privy Council, with a request that they be included in all charters of incorporation of municipal boroughs. Representatives of the Association have attended local enquiries which have been held in connection with Parliamentary Orders and have handed in model compensation clauses for inclusion in them. Similar clauses have also been submitted for approval to the local authorities concerned.

ATTENTION TO INTERESTS OF INDIVIDUALS

Not only is N. A. L. G. O. concerned about the larger problems and policies of local administration but it concerns itself with the problems and troubles of the individual. It is literally the guardian of their rights and privileges. To illustrate: A local newspaper published statements which alleged fraud and improper performance of their duties against the staff of the superin-

tendent assistant overseer of an urban council. On the application of the branch of which the officers concerned were members, the Association's solicitors and parliamentary agents were instructed to communicate with the editor of the newspaper, and the writer of the statements, requesting that the latter should be withdrawn, and equal publicity given to the withdrawal as was given to the statements. As a result, the writer unreservedly withdrew them, and disclaimed any intention to cast any reflection on the staff of the overseer. This withdrawal was published in the newspaper with ample apologies.

Again on the application of a branch, the Association's solicitors and parliamentary agents were instructed to communicate with the editor of a local newspaper, and the writer of an article published therein, requesting that certain statements contained in this article, which were alleged to be defamatory to the office of an urban district council, should be withdrawn; and equal publicity given to the withdrawal as was given to the statements. As a result, the proprietors, the publishers and the editor of the newspaper, published a special edition of their publication, which contained a complete withdrawal of the statements and ample apologies. The writer of the article, however, did not withdraw his statements, although he agreed to amend them so as to make it clear that there was no allegation of a fraudulent connection between the members of the urban district council and the officers concerned; and that his criticism of the administration in the district was directed solely against the council as being responsible for the administration. A further communication was forwarded to him reiterating the request, and in response he complied forthwith.

A telephone operator of a county borough council met with a serious accident while carrying out her duties, and an application was considered from the branch concerned for her interests to be safeguarded in order that she might obtain adequate compensation in the event of her injuries resulting in her being permanently disabled. The branch was authorized to engage a local solicitor to watch the interests of the officer concerned, with the result that the latter obtained the full amount of compensation to which she was entitled under the workmen's compensation acts.

After considering reports by the superintendent of a cleaning department and his assistant on the question of the erection of a large new refuse disposal work, a special sub-committee of the cleansing committee of a borough council decided to recommend that the superintendent should be called upon to resign his position. The sub-committee had not been authorized to consider the question of terminating the appointment of the superintendent of the department, and the latter refused to tender his resignation. A local solicitor was engaged to be in attendance on the occasion of the meeting of the committee at which this recommendation of the special sub-committee was considered, to support the action taken by the superintendent; and as the latter was not called upon to resign by the committee no further action was necessary.

Such instances as these, and they could be multiplied many times, show why N. A. L. G. O. is not only highly and generally respected, but is referred to so affectionately by local government officers throughout the kingdom for its jurisdiction covers and its membership is recruited from Scotland and Wales as well as England.

THE QUESTION OF TRAINING

The "articled pupil," as he is called, is a problem now receiving rather animated attention. *The Municipal Journal* editorially (April 15, 1927) attacked the N. A. L. G. O. position on this question, saying:

Before the Royal Commission on Local Government, as we reported last week, the Association put its view regarding the qualifications of entrants for the local civil service. In the course of evidence it was urged that the system by which pupils are articled should be discontinued, or that town clerks at any rate, should not be allowed to take pupils. In support of that view it was stated it had been found that persons articled to town clerks were provided with an unfair jumping-off ground. In other words, that jobs had been found for them.

Whatever may have happened in the past, not many would subscribe to this allegation as having force so far as present-day appointments are concerned. The Councils are now composed of men and women who give their time for the good of the community, which they serve to the best of their ability, whether it be in connection with the appointment of officers, the acceptance of a tender, or in regard to any of the other multitudinous duties imposed on local authorities.

The proposal to debar a person already in the local government service from being articled to another in a superior grade will require a deal of justification. It would mean that a young man, qualified by examination to enter the local government service, after two or three years' work would have to quit his office if he wished to take up serious study and qualify for a legal post with a municipal body. Is it seriously suggested that there are sufficient private firms who could give young men so thorough a training in local government law and practice as those receive who are in constant touch with the subject? The adage that an ounce of practice is worth a pound of theory could not be better applied. If the higher posts in the municipal service are to be filled with skilled men they are more likely to be found among those who were engaged in that service from the commencement of their career, rather than from those who gain a cursory knowledge of the work in an outside office. How many leading town clerks began their legal training elsewhere than in the local government service? An impediment would be put in the way of the better man who wished to rise in the local government service were he debarred from being articled with his own chief.

The proposition is not consistent with the rest of the N. A. L. G. O.'s work. In the first place it desires that every entrant to the service shall be qualified by examination; it then insists that a section shall not have the opportunity of rising in the profession unless its members leave the service for several years. Trade unions do not as a rule follow this practice. If an official were forced to leave the service to become articled so that he might later secure an executive post, he could hardly be expected to view the Association in any too good a light.

To this the able, highly effective general secretary of N. A. L. G. O., Mr. L. Hill, replied:

The question of articled pupilage bristles with difficulties and possibly the variety of questions and answers before the Royal Commission on Local Government may have given rise to the wrong impression which you have obtained. You will know that a number of officers have a professional right to take pupils and, unless it is made a condition of the employment of the officer at the time of his appointment, nobody has any right to interfere with that privilege.

The National Association is *not* opposed to professional officers having articled pupils, but it does hold the opinion that the present conditions are not altogether satisfactory, especially where professional officers take under their wing fee-paying "outsiders," who may afterwards be placed in a privileged position as regards obtaining appointments in the Local Government Service. What the Association advocated was a system which would encourage professional officers to confer articles upon promising members of their staffs in order to lift young men of ability, probably without private means over the barrier which separates the "lay" side from the "professional" side. Whether the local authority should recompense the professional officer for granting articles to promising members of the staff, is a matter which we did not discuss.

Whereabouts in America do we find city officials training men to succeed themselves and where would we find associations to give consideration to the difficulties involved? Indeed where

can we find in the nation and outside of a few states (happily increasing in number) organizations that parallel N. A. L. G. O., or even approach it in the character and extent of its activities?

INSURANCE AND BENEVOLENT ACTIVITIES

Nalgo Provident Society is one of the collateral activities. In 1914 the idea was conceived that the Association, representing a body of healthy persons, should be successful in launching a scheme, in order to offer sickness and life assurance to its members, at lower rates than those quoted in other directions. Experience had been gained in administering the National Health Insurance Benefits through the Nalgo Approved Society and, although enthusiasm for inauguration of another society was confined to a few, the suggestion was adopted. Sufficient members were obtained to warrant a commencement, but owing to the outbreak of war, the Society did not actually commence operations until January, 1920, and was registered as a friendly society in April, 1921. The position now is that approximately five thousand benefits are being contributed for, and rapid progress is being reported.

Still another collateral activity is the Benevolent and Orphan Fund, now in its seventeenth year. A commencement was made in 1920 to build up a fund which would be worthy of the service and able to meet all claims which might be put forward on behalf of its members who were in needy circumstances. A total sum of £16 was received during the first year. That amount was more than doubled during the next year, and in 1912 claims commenced to be received and three grants were made amounting in total to £23 3s. 0d. For the next two years excellent progress was made, but owing to the outbreak of war, the fund received a set back in 1915. A great increase in income was recorded in 1916, due to the inauguration of a special war relief fund, and the annual amount contributed varied slightly until 1919, when the fund almost touched the £2,000 mark, and nearly £350 was distributed in grants. The phenomenal progress of the Association in 1920 resulted in a tremendously increased income to the fund, and £6,055 3s. 4d. was received. The outstanding feature of the year, however, was the fact that the Glamorgan County Officers Branch contributed the sum of £1,732 9s. 6d., which undoubtedly spurred other branches to increased activity. This progress was not maintained during the two succeeding years, and the income fell to less than £5,000 in 1922, while grants had increased to £1,224. The Fund's own record was broken in 1923, and again the following year.

At Bournemouth the Lady Mayoress received from the various branches purses for the fund amounting to £6,914 as compared with £6,021 contributed a year ago.

There is much, much more that could be said about N. A. L. G. O. and its manifold activities, but sufficient has been said to show how useful and extensive are its activities. Sufficient has been said to prove a stimulant to American local government officials. Perhaps a national society along similar lines is not feasible in the United States at the present time when we consider the forty-eight different standards and forms of local government. Moreover, we do not have the compact, homogeneous territory and population of the United Kingdom. Nevertheless, there are certain problems which officials of all the localities have in common that might be effectively considered in common by a mutual organization.

RECENT BOOKS REVIEWED

Boss Tweed. By Denis Tilden Lynch. New York: Boni & Liveright, 1927. Illustrated. Pp. 433.

A good antidote for any current pessimism regarding American city government is this volume, packed with picturesque details, and written in a spicy style, regarding the historic Napoleon of political graft and corruption. Whatever evils now exist, our cities, even the big ones, are not so badly off as some of them were in the century made notable by Bryce's American Commonwealth. As Bryce, in his last work, testified to a vast improvement in conditions, so this author remarks, concerning Tweed, "No other country but ours could have produced him, and no other age but his own."

"Simply awful," and other trite characterizations of ultimate intensity are in order, if one tries to describe this pictorial description of Tweed and his reign. Chapter after chapter is filled with facts, piling up the evidence showing how prominent men and women, banks, newspapers, and practically all agencies of public influence, were enmeshed in the Tweed net. Today it is hard to imagine the amounts of money stolen from the public, the ease with which nefarious schemes were brought to success, and the length of time during which the arch-thief was allowed to hold sway with a power which reached out, through government and great corporations, into the state and national fields. Like some of its modern progeny, this octopus was bi-partisan: "Tweed's power could have been destroyed by an honest Republican machine. But one did not exist. What passed as the New York County Republican Committee was owned, lock, stock, and barrel, by Tweed."

From beginning to end, including Tweed's downfall and demise, the book assembles in readable form elaborations of sensational incidents, in a manner which doubtless makes this a volume of importance to students of our political history. Tweed is pictured as neither a drunken Falstaff nor a cheap and vulgar rogue. "He was a rogue, but monumental."

Lest we of today feel complacent, the author thus analyzes the trend and cause of corruption:

"Public thieving did not begin with Tweed. Nor did it die with him. It exists because of the apathy of the mass. Sometimes the mass is roused to a sense of the wrongs inflicted upon it. Invariably, it is immediately blinded by passions of racial, religious, or partizan strife, kindled by politicians. On rare occasions the mass struggles until it has effected a reform. But eventually the politician triumphs and the mass is divided and one side wars upon the other and then succumbs to inertia. The looting is resumed."

We prefer to accept the dictum of Walter Lippmann: "There has come a realization on the part of the leading machine politicians that the old job-grafting type of government was not such very good politics after all."

W. P. Lovett.

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Land Values—Distribution Within New York Region and Relation to Various Factors in Urban Growth. By Harold M. Lewis, Wayne D. Heydecker, and Raymond A. O'Hara. New York. Plan of New York and Its Environs. (Engineering Series, Monograph Number Three.) 1927. Pp. 72, 4 maps, 14 plates, 12 tables.

A region comprising an area of 5,528 square miles in three states; a population of 10,000,000 living in 425 municipalities; 60,000 factories including the largest of their kind in the country; the financial heart of a great nation; a port from which steamship lines radiate to all parts of the globe, and on which rail lines and inland waterways covering a continent converge; towering office buildings, hotels and apartment houses within sight of farms, woodlands and meadows; skyscraping centers and sub-centers linked to one another, and to the outlying sections of one family homes, by subways and elevated lines, commuting steam railways, and motor highways —that is the background against which Messrs. Lewis, Heydecker and O'Hara sketched their study of land values.

Their estimated total for the value of the land within the region for 1923 is well in excess of nine billion dollars—almost as much as the aggregate assessed values of land and improvements for the same year in the group of eleven states stretching from the eastern slope of the Rocky Mountains to the Pacific Ocean. This value, however, they find to be very unevenly distributed throughout the area. Somewhat more than one-half of it is concentrated in the 22

square miles which make up Manhattan Island. The averages per acre by counties range from $57 in Putnam County, New York, to $460,000 in Manhattan. On the outskirts of the region, entire townships show average values of considerably less than $50 per acre. Whole tax sections in Manhattan average above one million dollars per acre, and smaller areas flanking important streets for a distance of several blocks approximate $10,000,000 per acre.

In their approach to the subject from the standpoint of city planning, the authors outline a dual problem, which may be stated as follows: Why should this enormous concentration of land values have taken place in the New York Region; and why should an acre at the heart of that region be worth 300,000 times as much as another along the edge?

The answer to the first question is sketched in only in barest outline. The usual topography of New York harbor, the far-flung network of foreign and domestic trade routes which center on it, and the "high average of energy and enterprise on the part of its people," are among the outstanding reasons advanced to explain the phenomenon. The analysis is qualitative rather than quantitative, and this section of the report makes no outstanding contribution.

In answer to the second question, definitely quantitative analyses are presented. The authors do not pretend that they are either comprehensive or conclusive. They realize that they had invaded a field in which they were among the pioneers. Like the "forty-niners," they had to clear their own trails; they had to turn over much material before they struck pay dirt; they had to make their own assays as they went along; but after several years of hard work, they came out with some nuggets of real gold.

The effects of density of population on values per acre; of railway terminals; of rapid transit lines; of wide streets in the original city plan; of newly opened and widened streets; of parkways and boulevards; of open spaces; of high buildings; of interest rates and tax rates; and of premature booms—all these factors and others are discussed more or less completely in quantitative form. Even when one regrets the evident condensation which took place when the text was prepared for publication—a condensation so drastic that it results in some cases in incomplete analyses of the material at hand—one marvels at the industry and patience of the authors in compiling the basic data.

Economists, city planners, and real estate men will find the volume one of compelling interest. After they have read it, they will almost certainly join the reviewer in his ardent wish for more studies of the same kind.

PHILIP H. CORNICK.

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THE GENERAL ACCOUNTING OFFICE. By Darrell Hevenor Smith. Baltimore: Johns Hopkins Press, 1927. Pp. 215.

This study follows the general plan of the other monographs in the series issued by the Institute of Government Research, presenting a careful descriptive account of the history, activities and organization of the General Accounting Office. It traces the development of the accounting and auditing methods of the national government from the period of the Revolutionary War to the present system established by the Budget and Accounting Act of 1921. The discussion of activities sets forth the changes in methods and expansion of functions under the present law, noting controversies that have arisen with the treasury departments, and conflicts between the rulings of the comptroller-general, the attorney general and the court of claims. The author does not, however, enter into the problem as to the best method of settling these disputes, which has been discussed in Mr. Willoughby's study on the *Legal Status and Functions of the General Accounting Office*.

On this important question, the reviewer disagrees with the theory on which the General Accounting Office is now based. The office is not in fact an agency of congress directly responsible to that body; it is controllable only by the joint action of the president and congress, and is substantially independent of either acting alone. It is the reviewer's opinion that the main work of the Accounting Office should be as an agency of central administrative control, organized as an integral part of the treasury department. The judicial functions might be vested in the court of claims. Congressional control should be exercised by energizing the committees on expenditures, with power to employ technical experts, not to duplicate the detailed work of the Accounting Office, but to examine the methods of administrative control and the results as shown in the financial reports; as is done by the Committee on Public Accounts of the British House of Commons.

JOHN A. FAIRLIE.

PUBLIC SCHOOL FINANCE. By Arthur B. Moehlman. Chicago: Rand McNally & Company, 1927. Pp. xviii, 508.

Professor Moehlman of the University of Michigan has written what appears to be a useful book on public school finance. The text is very well organized and, on the whole, quite readable. The introductory section to each part and the summary at the end of each chapter, however, contribute little, if anything, to the book.

Throughout the text the author is very practical in his approach to the subject, especially on the phase of school budgeting which is treated at length. But he largely disregards the inseparable connection which public school finance has, and will probably long continue to have, with the administration of many local governments. Even where the school administration is organized independently of local governmental authorities, a definite relation or balance ought to be maintained between the fiscal requirements of education and those of other public functions. It does not seem to the reviewer that these facts should be overlooked or lightly passed up in any general discussion of public school finance.

Professor Moehlman's book is divided into three parts, dealing with the problem, the attack, and the application or technique of public school finance. Part I is little more than an introduction and undoubtedly the weakest part of the book. Part II covers general finance policy, finance organization, cost methods, the budget, finance control, financing the school program, and public information. The chapter on cost methods as applied to schools is perhaps the best chapter in the book; it discusses this important subject in a lucid manner, getting at the basic elements and disposing of a lot of misconceptions. The chapter on the school budget is also very good. Part III relates to budget making, accounting, and cost data. The placing of emphasis on school budgeting is a very commendable and up-to-date feature of the book. The author demonstrates the practical aspects of this subject by setting up a complete budget for a local school organization.

A. E. BUCK.

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MAJOR ISSUES IN SCHOOL FINANCE; PARTS I AND II. National Education Association, Washington, D. C., January, 1927.

The careful reading of these two bulletins should result in the acquisition of a very fair working knowledge in the field of educational economics. Dr. Norton, to whom they may be attributed, has gathered together in brief space a wealth of suggestive material. There is treated, for example, the nation's economic ability to meet school costs, under which there is discussed the ratio of school costs to income and wealth. The question is raised and answered: Has the tendency to increase the percentage of income of the United States devoted to education been accompanied by decreases or increases in the economic power available for other purposes?

A section which should be read by captious critics of educational costs is the one on school costs and economy in public expenditures. It includes a brief but able discussion of the causes of the growth in school costs.

Part II supplies a great many comparisons between the various states with regard to their ability to support education. For example, there are tabulations of savings accounts, expenditures for life insurance, purchases of certain luxuries, and state wealth and income.

After pointing out the weak spots in financing certain state educational systems, certain essentials of a sound plan of state and local taxation are outlined.

Though largely but statistical compilations, the bulletins contain enough descriptive material to make them interesting reading as well as an authentic source for reference.

H. E. AKERLY.

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PRINCIPLES OF REAL ESTATE APPRAISING (Second Edition). By John A. Zangerle. Cleveland: Stanley McMichael Publishing Organization, 1927. Pp. 443.

"This is the most valuable book on the subject I have ever seen. It is valuable to every appraiser of real estate and invaluable to every assessor. It should be in the library of every assessing department in the United States. The chambers of commerce and boards of trade of the United States should every one of them have a copy and see to it that every assessor has a copy."

So wrote Mr. Lawson Purdy in 1924 in referring to Mr. Zangerle's first edition of this book. These comments are all the more true for the second edition, which has been enriched by the addition of considerable material.

The qualifications and ability of Mr. Zangerle to discuss the subject need no argument. By

reason of his position as county auditor of Cuyahoga county (Cleveland) since 1910, he is the assessor of the county. And the position is an elective one,—even his own people know he is good. Much good has come from Mr. Zangerle's works, as reflected in improved assessing methods of our cities. Even Detroit, for example, has copied the major portion of his procedure, and Chicago is giving it consideration.

Readers of the REVIEW probably are more concerned with appraisals for tax purposes than for realty, banking and other objectives, all of which are considered in writing the book. But even for this limited use, the new edition has been improved, the material of the first edition having been reassembled and new chapters added, as well as a more extended discussion of many subjects such as plottage rule, corner influence values, effect of auto transportation, long term leases, etc.

To those who did not act upon Mr. Purdy's suggestion to acquire the volume, now is the time. To those who did act, however, it may be questioned whether the first edition should be replaced by this one. The growing interest in the subject of property assessment has led to the publication of many valuable treatises on various phases of the subject, all of which must be acquired or at least mastered to keep abreast of the field.

As a minor criticism, it is believed that greater definiteness of references, such as to authors and dates of citation, might be had. Some of the statistics could be revised and some be brought up to date. Possibly a bibliography would help the volume.

C. E. RIGHTOR.

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COMPARATIVE COST OF LOCAL GOVERNMENT. Statement of Receipts and Disbursements of the Counties of Virginia compiled by William F. Smyth, State Accountant, 1926. Pp. 354.

The state accountant of Virginia by an act of 1924 is required to prepare an annual statement showing in detail comparative and per capita costs of local government as among the counties and cities of the state. While this report indicates a serious attempt to comply with the legislative mandate, the contents, nevertheless, reveal that the efforts of the department have been seriously compromised by the failure of the legislature to supply adequate funds for the work and by the refusal to vest the department with authority to prescribe for the local governments uniform accounting methods.

Because of the insufficient appropriation, for example, the department was unable to include any statistics on cities, although the law specifically requires it. The absence of uniformity in accounting methods is well illustrated in the wide range of dates marking the end of the county fiscal year. The fiscal periods for the one hundred counties terminate on more than thirty different days. The state accountant also admits that by reason of the varying financial methods it was impossible for him to make a clear-cut division of either receipts or disbursements. Particularly weak are the expenditure classifications. County treasurers do not make any classification of the warrants which they pay other than by funds. Consequently it is impossible to determine amounts paid for salaries, material, labor, etc. Then again there is no division made by treasurers between ordinary expenses of operation and capital expenditures. While the report distinguishes between expenditures made from ordinary revenue and those made from extraordinary receipts, such a classification obviously cannot be used as a reliable criterion of operating expenditures and capital outlays.

In addition to ten summary tables, the report includes detailed data showing receipts, disbursements, per capita expenditures, indebtedness, assessed values, and local tax rates for each one of the one hundred counties of the state of Virginia. While the compilation of these analytical tables is well worth while, it is a matter of regret that the legislature has not made possible a really scientific analysis of comparative local government costs.

MARTIN L. FAUST.

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SOME CITY REPORTS

WAYNE COUNTY, MICHIGAN. TWENTY-FIRST ANNUAL REPORT OF THE BOARD OF COUNTY ROAD COMMISSIONERS FROM SEPTEMBER 1, 1926 TO AUGUST 31, 1927. Pp. 175.

This report of the excellent work being done by the Wayne county road commissioners is a very attractive and worth-while piece of work. It perhaps comes closer to meeting more of the accepted standards of good report writing than any recent similar report. For example, its attractiveness, arrangement, type used, grade of paper, clearness, and selection of illustrations are all excellent. It does have, however, some

characteristics which will greatly limit its utility. In the first place, it is far too long to secure a general reading. A report of this nature should never exceed fifty, better twenty-five pages, if it is intended to be read throughout by the general public. The public is overwhelmed by a long report and will cast it aside without any definite impression. It contains nearly thirty pages of statistics which have a value but hardly in such a report. A few charts well distributed through the reading material would have served the same purpose in a much clearer and more interesting manner. The plan of placing a picture opposite each page of reading material is one that should be copied by future report writers. All will not agree on the appropriateness of placing the picture of the board and its chief staff members in the front of the report, but there should be quite universal agreement that this report, if any, is justified in including them for it is an excellent report based on work designed and executed consistent with the best engineering and planning practices of the day.

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Richmond, Virginia. Annual Report of the Director of Public Works, R. Keith Compton, for the Year Ending December 31, 1926. Pp. 169.

The chief fault with this report is common to 90 per cent of all such reports. It is far too long. It could have been shortened considerably by condensing the more significant data of the 43 pages of statistics into a few charts and graphs. Then further, by shortening the 50 pages of unbroken reading material to 12 or 15 pages and making it readable and interesting by emphasizing the more important by heavy type. The clear organization charts, seven exceptionally well prepared maps of past, present, and proposed improvements, and the nearly 20 appropriate pictures, stamp this as one of the best public works reports that has come to the attention of this reviewer in a long time. The charts, graphs, and pictures, however, should have been better distributed throughout the report and placed near the relevant reading material. It is well written on good paper of a clear type and indicates a wise choice and balance of material. The short table of contents is a great aid to the reader who is interested in a particular phase of the work and is a feature too often overlooked in report writing. The comparative data are very illuminating and add an interest that can be supplied in no other manner. The "volume of traffic map" of Richmond's principal thoroughfares is a clear and convincing method of showing this problem which is so vital to every city. This report is not only of interest to the taxpayers of Richmond, but it has much of value for the directors of public works and city engineers everywhere.

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City of St. Paul. Annual Report of the Commissioner of Public Works for the Year Ending December 31, 1926. Pp. 113.

On the front cover of this attractive report, the all important question in report writing is answered above the signature of John H. McDonald, commissioner, to wit, "This report is published for the information of the taxpayer. . . ." If all public report writers would first of all be certain of its purpose and the group they desired to reach, better and more readable reports would result. The present case, however, does not fully justify this conclusion, for the report contains far too many tables of statistics which are very valuable for the office files and perhaps for a limited circulation, but have no place in a report for general reading. The report contains 22 pages of well written and interesting reading material; three excellent maps illustrating present improvements; three well chosen pictures and one clear and complete organization chart. The remaining 84 pages are devoted to statistics that busy taxpayers will hardly look at, much less attempt to understand. Had the statistical material of general interest been separated from the whole, worked into simple charts and graphs, and distributed throughout the reading material, it would have made a much more interesting document for the taxpayer.

A table of contents in the front of the report either to replace or supplement the general index in the back would have increased the ease in locating particular information. A better arrangement of material would also have increased its utility. For example, a very interesting table of general city statistics is all but concealed on page 82. Such data, which are always of primary interest, should have been placed in a more conspicuous place, perhaps on the inside of the front cover. The only serious criticism that can be placed against this report is the fact that the writer overestimated the amount of report material that the average taxpayer is willing to consume.

Clarence E. Ridley.

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE
Professor of Law, Georgetown University

Constitutional Limitations—Basis of Classification of Cities.—The limitation requiring that statutes relating to municipalities shall be general in character, now included in most of the state constitutions, has always been held to be subject to reasonable classification. That based upon population is the most common method and has been uniformly upheld. In *Doherty* v. *Spitznagle*, 139 Atl. 424, decided by the Supreme Court of New Jersey November 25, 1927, the validity of the classification based upon the form of government of cities was before the court. An amendment to a general act, which was to become operative only upon approval by local referendum, provided that it should be effective in consolidated municipalities without a direct referendum. In holding that the basis of classification was a reasonable one under the constitution, the court follows the precedents of *Van Riper* v. *Parsons*, 40 N. J. L. 1, and *State* v. *Wright*, 54 N. J. L. 130. In the latter case a classification for purposes of authorizing cities located upon the ocean to build drives and construct walks along the beach was upheld. It may be noted, however, that the same court in *State* v. *Philbrick*, 50 N. J. L. 756, refused to uphold a statute imposing a special limitation for general taxation based upon classification of boroughs lying on the ocean which were organized under a commission form of government. It is clear that in this case the contiguity to the sea was not a valid ground for basing a difference in the amount of general taxes to be raised.

In the instant case Justice Black in his opinion says: "It may be this kind of legislation is unwise, as creating a tangled skein of statutes that is difficult and most perplexing to unravel. It certainly is not a desirable method of changing municipal officials. But, as has been said by this court, where that which is directed to be done is within the sphere of legislation, and the terms used clearly express the intent, all reasoning derived from the supposed inconvenience, or even absurdity of the result, is out of place. It is no province of the courts to supervise legislation, and keep it within the bounds of propriety and common sense."

Streets and Highways—Rights of Abutting Owners.—The recognition of the rights of abutting owners to have the street adjoining their property to be kept free from encroachments was exemplified in numerous important decisions the past year, and should result in a marked influence upon the present day tendency of municipal authorities to assume that they may ignore such rights because of the necessity of exercising a more extensive control of the highways for the convenience or protection of the public. In the June issue, several cases bearing upon this point were commented upon and their bearing upon the scope of ordinances regulating traffic suggested.

Of the more recent cases, we may note that of *Jobst* v. *Mayer* 158 N. E. 745, finally decided by the Supreme Court of Illinois December 9th, 1927. In this case an abutting owner on a private alley successfully maintained an action to enjoin the continuance of a fire-escape and awnings projecting over the right of way, which a neighbor proposed to erect. The defendant's contention was that his plans had been approved by the commissioner of buildings and further that the city had assumed control of the alley by virtue of the fact that it had maintained a lighting system therein and regulated the traffic thereon by ordinance for the past twenty years. While the decision was based on the finding that the alley had not been dedicated to the public, there can be no doubt that if the alley had been a public one, the plaintiff's rights would have been similarly protected as the facts showed that the obstructions seriously interfered with the plaintiff's rights of access.

In *Lowell* v. *Pendleton Auto Co.*, 261 Pac. 415, decided by the Supreme Court of Oregon November 22, 1927, the action was brought by neighboring property owners to restrain the defendant from parking cars in the street adjoining his premises for the purpose of testing and repairing them, as was alleged by the petitioners. The defendant pleaded an ordinance of the city designating the street in question as open for all-time parking and also that as abutting owner he had a special right to occupy the portion of

the street contiguous to his property. In answer to these pleas, the court points out that a parking ordinance can not enlarge or limit the rights of an abutting owner, that it is merely a police regulation which governs the relation of the city and the owner of the automobile. As to the claim based upon the ownership of the property adjacent to the street, the court says that the rights of the peculiar defendant apart from those of the general public do not warrant him in occupying the street for business purposes and that as a member of the public his right to park cars along the curb, except as directly affecting his ingress and egress, is only the right accorded to any other member of the public as incidental to the use of the highway for travel. His occupancy of the street beyond these limitations therefore constitutes a nuisance which the city should abate and which the adjoining property owners whose own rights in the street are affected thereby may maintain an action to enjoin. In effect, the decision of the court adopts Lord Ellenborough's classic statement in *Rex* v. *Cross* (3 Camp. 224). "No one can make a stable-yard of the king's highway," which the Supreme Court of Iowa paraphrased some years ago in *Pugh* v. *Crawford* (176 Ia. 593) in the words, "No one may make a private garage of a public street."

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Police Power—Vested Rights of a Property Owner in a Street Number.—In *Bacon* v. *Miller*, 225 N. Y. S. 99, decided November 4, 1927, the Appellate Division, First Department, of the Supreme Court of New York held that while the board of aldermen of a borough in the city of New York had the implied power to rename and renumber city streets, yet this power cannot be arbitrarily or capriciously exercised. Park Avenue in the borough of Manhattan extended from Thirty-fourth Street to the Harlem River; and the board passed a resolution which ordered that portion of Fourth Avenue between Thirty-second and Thirty-fourth streets to be renamed Park Avenue and renumbered accordingly. The petitioner had, for many years, owned and resided in a house designated as number "1 Park Avenue." The present action was brought to have the ordinance declared invalid and to restrain the borough president from allotting number "1 Park Avenue" to the defendant "Number One Park Avenue Corporation", which had erected a large commercial building on Fourth Avenue near Thirty-second Street.

In granting the relief sought, the court declared that an exercise of police power, such as numbering streets, must be made in good faith and for the apparent benefit of the locality at large. The decision points out that there was no physical or governmental reason for the present change and that the ordinance amounted to an attempt to arbitrarily take away one person's house number and give it to another. The case of *Anderson* v. *Lord Mayor and Corporation of Dublin*, 15 L. R. (Ireland) 410, decided in 1885 on a similar state of facts in accord with the case under discussion is the only precedent cited by the court to sustain its decision.

That the reasonableness of the exercise of the police power by a municipality is subject to the control of the courts is beyond question. This principle, however, finds its application only in the case where by the exercise of the power an individual's personal or property rights are invaded and is the test of the extent to which they may be taken or modified by governmental action. As a city may not contract away its governmental powers, so it is uniformly held that a private individual may not acquire a vested right through the exercise of a power or a privilege for which he has a license under the police power. The naming of streets and the numbering of houses is an exercise of the police power for the convenience of the public, and while a given number is often of value to the owner, it is difficult to see upon what theory he can acquire a property right in a given number not subject to change or revocation by the governmental authority which established it. We shall be interested to note the disposition that may be made of this case by the Court of Appeals.

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Officers—Compensation—Constitutional Inhibition against Increase of Compensation During Term Held Not to Apply to Municipal Officers.—Article 5 of the constitution of Montana provides that "No law shall extend the term of any public officer or increase or diminish his salary or emolument after his election or appointment." The statutes of the state dealing with officers and elections in cities and towns provide that "the salary and compensation of an officer must not be increased or diminished during his term of office." The city of Havre after the election of the mayor, but before his term of office commenced, passed a resolution increasing the salary of the office and a taxpayer's action was brought to enjoin the treasurer from paying

the mayor in excess of the salary previously authorized. (*Broadwater* v. *Kendig*, 261 Pac. 264, November 18th, 1927.) The Supreme Court held that the term "law" in the constitutional provision cited was restricted to statutes and did not cover ordinances of municipalities. As the ordinance did not contravene the statute, it was upheld and the judgment for an injunction granted by the lower court reversed.

The court based its decision upon the fact that the constitutional provision in question was a section of the article imposing limitation upon the powers of the state legislature and fortified its conclusion by the decision of the Supreme Court of Pennsylvania in *Baldwin* v. *Philadelphia*, 99 Pa. 164, in which a similar clause in the state constitution was given a like construction. It is to be noted that the office in question was not one established by the constitution as in *State* v. *Moores*, 61 Nebr. 9, which held that a similar constitutional provision applied to the increase of the salary of a police judge of the city of Omaha. For a more liberal construction of such a constitutional inhibition so as to include municipal officers, see *Wolf* v. *Hope*, 210 Ill. 50.

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Remedies—Waiver of Constitutional Defenses.—In *State* v. *Becker*, 215 N. W. 902, decided by the Supreme Court of Wisconsin November 8, 1927, a mandamus proceeding to compel a town board to apportion to the petitioning school district the amount of money which the town had received from the state treasurer on account of the assessment of a public utility therein as provided by statute, the question arose whether failure to plead the constitutional objections by the city officials amounted to a waiver of these defenses. The court held that the school district might not waive any defenses which the constitution gave it, that such action would be against public policy and that the trial or appellate court should raise the question itself where it appears necessary to a proper disposition of the case. A statute apportioning the distribution of money collected by taxation is clearly within the province of the legislation and does not violate the requirement of uniformity in town government. While, for example, a final judgment that may increase the indebtedness of a municipality beyond the constitutional limitation may not be attacked collaterally (*Edmundson* v. *Independent School District*, 98 Ia. 639), until such final judgment is rendered the constitutional defense may be raised either by the litigant or by the court. (*Hjelming* v. *La Crosse County*, 188 Wis. 581.)

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Police Power—Restriction Excluding Gasoline Stations from Certain Districts.—The Supreme Court of Oklahoma in *City of Muskogee* v. *Morton*, 261 Pac. 183, decided November 8, 1927, upholds the power of the city to declare gasoline filling stations in restricted districts nuisances and to forbid their erection therein. The plaintiff sought a writ of mandamus to compel the building inspector to grant him a permit to erect a gasoline station in a restricted district. In upholding the ordinance against the plaintiff's claim that it violated the state and federal constitutional guaranties the court based its decision on *Reinman* v. *Little Rock*, 237 U. S. 171, which sustained the power of the city to exclude livery stables already established from certain restricted sections.

The plaintiff also attacked the ordinance upon the ground that the provision, that such a permit might be granted in the restricted district if the owners of two-thirds of the property, estimated by the front footage, lying within 300 feet of the proposed station give their consent in writing, was invalid as an unauthorized delegation of the legislative power of the municipality. The court, however, applied the well-known distinction between an ordinance to take effect upon the filing of consents of adjacent property owners and one to whose application an exception may be made by such action. (*Eubank* v. *Richmond*, 226 U. S. 137; *Cusack Co.* v. *Chicago*, 243 U. S. 526.)

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Streets and Highways. Abatement of Gasoline Pumps.—The Supreme Court of Ohio in *Rowe* v. *Cincinnati*, decided November 30, 1927, (26 Ohio Law Bulletin 198) upheld an ordinance of the city which in effect provides that all gasoline pumps, filling stations or other automotive services maintained or operated in or upon any sidewalk or sidewalk space of the public streets are obstructions to public travel and public nuisances and directs their abatement by the city officials, and makes their continuance a misdemeanor. Rowe, the plaintiff, had maintained two gasoline pumps on the sidewalks adjoining his premises upwards of seventeen years under a valid permit from the city, which only recently was revoked in compliance with the above ordinance. Claiming that his property rights guaranteed by the state and federal constitutions

were invaded, he filed a petition for an injunction to restrain the city officials from enforcing the ordinance against him. In affirming the judgment of the lower court dismissing the petition, the court in an able opinion by Miss Justice Allen holds that a valid permit for the temporary occupancy of any portion of a public street is a mere revocable license and cannot be the basis of any permanent property right to such use. A city cannot contract away its police power and no contract right can arise from a permit to use the streets for private purposes. (*Wood* v. *City of Richmond*, 138 S. E. 500, Va., 1927; *Lacey* v. *Oscaloosa*, 143 Ia. 704, 121 N. W. 544.)

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Streets and Highways—Establishment of Taxicab Stands.—In *Commonwealth* v. *Rice*, 158 N. E. 797, decided by the Supreme Judicial Court of Massachusetts November 23rd, 1927, the ordinance of Springfield requiring taxicabs and vehicles used for hire to make use of taxicab-stands established by the city was sustained. The court recites the statutes conferring power upon cities and towns to control traffic which clearly authorize municipalities to regulate the use of public streets and highways by "all vehicles . . . whatsoever." They authorize rules and regulations which shall prescribe the routes, the stands and the movements which shall be observed by vehicles for hire conveying persons or freight. The court holds that the ordinance is not unreasonable as it tends to the control of public traffic, protects persons from annoying solicitation and prevents confusion, disorder and danger in the streets. From other recent cases affirming the power of the city to control the movements of public vehicles even under a general grant of power to regulate traffic, the reader may be referred to *Kinger* v. *California Indemnity Exchange*, 258 Pac. 602; *Peoples Transit Co.* v. *Henshaw*, 20 Fed. (2d) 87; *Charleston-Ripley Bus Co.* v. *Shaffer*, 137 S. E. 360.

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Implied Powers—City Held without Power to Lease Rooms in Memorial Building to a Patriotic Society.—The Supreme Court of Kansas in *Darby* v. *Otterman*, 252 Pac. 903, sustained an injunction in a tax-payer's action brought to restrain the trustees of the Kansas City Soldiers and Sailors Memorial Building from leasing several rooms therein to the Veterans of Foreign Wars at a nominal rental. The memorial building costing some six hundred thousand dollars was erected with the proceeds of a municipal bond issue and is operated and maintained at public expense with funds raised by taxation. The ground upon which the court rested its decision is that the trustees and the commissioners of the city in the absence of express legislative authority are without power to lease any of the property to a private corporation, even though organized solely for public purposes.

The expenditure of money for patriotic celebrations is generally held not to be for a municipal purpose, although the power may be granted or the duty imposed by the legislature (*Schieffelin* v. *Hylan*, 236 N. Y. 254). The opinion in the instant case is strangely silent as to the provisions of the statutory authorization to erect and manage the memorial in question. Had a discretionary power as to the means of maintaining the memorial for patriotic purposes been conferred upon the city, there is abundant authority that the purpose might be carried out through the agency of a private corporation as well as by the direct expenditure of the municipal funds. "The test to be applied in determining whether a particular agency may be employed by the state or some particular subdivision thereof by legislative authorization to perform any particular work, is not whether the agency is public, but whether the purpose is public within the legitimate functions of our constitutional government." (*State ex rel. Trustees of La Crosse Public Library* v. *Bantley*, 163 Wis. 632.) It is not essential that the agency be one in which the public are interested and which might be conducted at public expense to warrant the use of the taxing power to aid it *ex donatio;* the taxing power may be used for the purpose of compensating for an equivalent of public service rendered under proper regulations to protect municipal interests unless the particular governmental functions to which it relates are expressly or necessarily limited to governmental agencies. (*Wisconsin Industrial School* v. *Clark County*, 103 Wis. 651.)

PUBLIC UTILITIES

EDITED BY JOHN BAUER

Director, American Public Utilities Bureau

The Appeal of the O'Fallon Case.—Last month we announced the decision by the federal court upholding the interstate commerce commission in its order of recapture as to excess earnings of the St. Louis & O'Fallon Railroad Company, under the 1920 Transportation Act. The company has given notice that it will appeal to the Supreme Court of the United States, and the case will probably be given precedence, so that the earliest possible ruling may be obtained for the interstate commerce commission in administering the provisions of the Transportation Act.

In our statement last month there was—quite unintentionally—a misrepresentation as to what was actually decided by the lower court. The decision was reported in the newspapers on the day when the copy for this department had to go to the printer. Consequently, we were compelled to rely upon the first press statements as to the principa point,—that the commission's methods of valuation had been approved. This, however, was not borne out by the opinions and the decision. The court did uphold the commission in its order requiring the company to pay a certain sum as excess earnings under the Transportation Act. In approving the order, however, the majority did not find it necessary to pass on the question of valuation.

The statute provides that one-half of the excess earnings shall be paid to the interstate commerce commission, and the remaining half shall be reserved by the company. While the commission predicated its order, for the most part, upon the prudent investment, with certain adjustments explained in the previous numbers of the REVIEW the company claimed the reproduction cost of the properties as the proper basis. The court, however, did not meet this issue. It decided that the entire income above the amount recaptured by the commission constituted income of the company. This included not only the 6 per cent upon the value as determined by the commission, but also one-half of the excess retained by the company. The court concluded that this total income constituted a return of over 8 per cent for the greater part of the period in question, even on the reproduction cost valuation claimed by the company. It thus concluded that the return was not confiscatory, and refused to pass upon the methods of valuation employed by the commission. The question considered was only whether the income retained by the company was sufficient to meet the constitutional requirement of a fair return.

Hydro-Electric Power Policies in Ontario and Quebec.—There has been so much controversy over the achievements of the Ontario Hydro-Electric Commission, so much difference in point of view and statement of facts, that a dispassionate and intelligent study is welcome. Professor Harald S. Patten, of the University of Cincinnati, has furnished such a study in the May and August numbers of the *Journal of Land and Public Utility Economics*. In the first article he outlined the development of the Ontario hydro-electric system, setting forth the economic background and the principal steps in the development. In the second he presents the Quebec organization, and compares the accomplishments in the two provinces under the different policies and circumstances.

Mr. Patten had no particular thesis to support. His object was to present the essential facts as to geography, industrial conditions, technological factors and social policies, and he left comparisons mostly to the readers. In Ontario the hydro-electric development has been conducted by a commission; production, transmission, and distribution have been principally under public ownership and operation. In Quebec the organization has been chiefly private. The figures presented and analyzed by Professor Patten indicate that neither province has been particularly injured or benefited by the special policy pursued. It appears that the investment per horsepower developed is considerably higher in Ontario than in Quebec; $275 per h.p. compared with $165, but the conditions are so different that no valid conclusion can be reached as to relative efficiency in capital outlay.

On the side of rates, there is a striking contrast, but this also may be largely due to the dif-

ference in conditions in the two provinces. In Ontario the deliberate policy has been to bring electric power as cheaply as possible to ordinary consumers. A special object has been to make life in rural sections more convenient and to promote social improvements. In Quebec the development has centered around the paper and other manufacturing industries. No such broad public policy has been involved. Domestic light and power has been more of an incidental phase of the business. This difference in policy appears also in the relative rate structures. In Quebec there is a greater difference between the manufacturing rates and domestic lighting rates. In Ontario the rate differential has been greatly limited. The domestic rates for ordinary consumers in Ontario municipalities average less than 2 cents per kw.h. for 83 per cent of the sales. In Quebec the average is more than twice as high. Opponents to the Ontario hydro-electric policy have frequently charged that the domestic rates have been made low for political reasons and that they have not covered the cost of service. This position is not sustained by Professor Patten's study. His conclusion is:

> While private ownership has conspicuously justified itself in Quebec, there is little doubt that a salutary, if indirect, influence upon the public relations policy of its power corporations has been exercised by the example of Ontario's co-operative hydro-electric enterprise.

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What Is a Proper Service Charge?—In the January number, we considered the gas service charge in relation to the New York law, which had been declared unconstitutional by the federal court. The decision, it is reported, will be appealed to the Supreme Court of the United States for final determination of the issue.

The subject of the service charge has rapidly assumed considerable importance as an element in reasonable gas rates during recent months. Reports from a number of states refer to contentions over the matter. Word comes from Boston that a request has been made to the legislature to provide for a thorough investigation of the subject. There are now two cases before the New York public service commission which involve substantially the same issue in New York City, except that the adjustments in the rate schedule take the form of an initial charge for the first 200 cu. ft. or less of gas used, instead of the outright service charge, in order to avoid the statutory prohibition.

The issue in New York City between the consumers and the companies has taken a definitive form, which may be presented briefly because of its general importance. The consumers recognize that there are certain costs which are properly borne by a service charge or the substitute initial charge. They do not agree, however, with the companies as to the scope of those charges and the amounts to be included. For the purpose of clear presentation, they separate all the costs incurred in the manufacture and distribution of gas into three groups:

(1) Costs that depend directly upon the *amount of gas* produced and distributed to consumers;

(2) Costs that depend directly upon the *number of consumers;*

(3) Costs that do not depend directly either upon the quantity of gas or the number of consumers; *non-variable costs,* depending upon the general scope and form of organization.

The consumers contend that only the second group of costs are properly included in the service or initial charge. These are the direct, out-of-pocket costs that are incurred by a company because of particular families attached as consumers. They include the cost of meter reading, billing, consumer accounting, maintenance of meters, repairs on consumers' premises, and return upon meters used. In an ordinary case, these costs would aggregate between 25 to 50 cents per consumer per month.

The companies, however, would include in the service or initial charge also the greater part of Group 3 costs. These are all substantially fixed charges or overheads, which do not vary directly either with the number of consumers or the amount of gas consumed. The apportionment, therefore, is rather arbitrary, and must be determined according to reasonable public policy, and not according to logical identification of the costs either with the number of consumers or the amount of gas used.

These costs include the ordinary administrative overhead, including general office salaries, general office expenses, new business expenses, repairs of mains, and interest or return on all of the investment except the property used directly for the production of gas. The consumers contend that such charges are more reasonably apportioned according to the relative quantity of gas used for domestic purposes, rather than the

number of consumers. It is more reasonable, in other words, to distribute these charges in proportion to relative use rather than evenly between the number of consumers. Where the service charges are placed by the companies at $1.00 per month per company, they are predicated usually upon the inclusion of the greater part of the Group 3 costs. Whether this basis of apportionment is justified, is a question that the commissions must face squarely and decide according to reasonable policy. Is the more important consideration, equality on the consumer basis, or on the relative use basis?

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The Massachusetts Basis—Prudent Investment or What?—It is commonly assumed that Massachusetts has handled public utility valuation much better than the other states. Many years ago it adopted regulation of security issues, and has limited the bonds and stocks to the actual investment in the properties. The capitalization authorized by the state has thus been considered as substantially equal to the investment in the properties and as the accepted basis of determining the "fair value" for rate-making purposes. The status of valuation in Massachusetts has thus been distinguished from other states in that it has adopted a definite policy of valuation for rate making, while others have not, and consequently, it may escape the force of the Supreme Court's trend toward reproduction cost and preserve the prudent investment basis of rate making.

The accuracy of the above view as to Massachusetts has been called in question by highly competent authority. When, at the recent Dallas meeting of the National Association of Railway and Utility Commissioners Chairman William A. Prendergast, of the New York public service commission, commented on the Massachusetts doctrine, and pointed out that the difficulties encountered appeared to be as great as elsewhere, Commissioner H. G. Wells of the Massachusetts commission protested against Mr. Prendergast's assumption that the Massachusetts commission had adopted prudent investment as against "fair value":

> Whatever may be the opinion of different individuals as to whether prudent investment is a proper rate base or not, since the consolidation of the departments in Massachusetts in 1919 the Commission has not considered prudent investment as the Massachusetts theory.

Mr. Wells explained that the prevailing conception grew out of a decision many years ago in a street railway case, where there had been depreciation of the property. The representatives of the public urged the reproduction upon which the rates should be based, which was manifestly less than the actual prudent investment. The decision in that case was based upon the fact that the stockholders had actually invested their money in the property, and, consequently, "the fact that the value of that property was less than the prudent investment was of no moment."

> The doctrine of prudent investment as the Massachusetts theory, is quoted as opposed to the reproduction cost theory where the reproduction cost is more than the prudent investment; whereas the only decision in Massachusetts was based on the fact that the prudent investment was more than the reproduction cost.

The substance of Mr. Well's explanation appears to be that the Massachusetts commission accepts generally the "fair value" basis as laid down by the Supreme Court, but that where the amount is plainly less than the prudent investment, it would take the prudent investment as the basis of rate making. In his further discussion, however, he indicates plainly that for all practical purposes, in the ordinary case, the commission does hold closely to the facts of the securities outstanding and reasonable dividends paid, and that the work of rate control is greatly simplified in most cases as compared with commissions in other states. The commission thus really clings to prudent investment, and yet recognizes other considerations that may enter into the determination of "fair value."

Commissioner Wells's explanation as to the old railway decision is, however, pertinent and extremely illuminating as to what will almost inevitably happen if reproduction cost should become firmly established as the measure of "fair value."

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Each Utility on Its Own Feet.—When a company furnishes two or more allied services, there is always the difficult question in rate making as to what extent each utility must be financially self-sustaining and in what respects the various joint costs should be apportioned between the services. Must there be a complete separation of operating expenses, including overheads; also of the property and the return required? Can a deficiency in one department be made good to any considerable extent by the excessive earnings of another? In the case of a railroad, may inadequate earnings of the passenger service be counterbalanced by excessive returns from

freight? In the case of a gas and electric company, can a deficiency in one division be balanced by the greater earnings of the other? Under what principles must the various joint costs of operation be apportioned between the two?

For the most part, however, the course adopted is that each utility must bear its own burdens; that inadequate returns in the one cannot be justified by excessive returns in the other; that each must bear its own costs and bring a fair return in the property used in its own operation.

This view has recently been emphasized in the case decided on December 6, 1927, by the Georgia commission in the matter of street railway fares in Atlanta. The Georgia Power Company serves the city of Atlanta and other sections of the state, not only with street railway service but also with gas and electricity. The particular case involved an increase in the street railway fares to 10 cents, or 4 tickets or tokens for 30 cents. The opposition to the increase urged that in fixing the street railway fares, the company's entire business should be considered; that the increase should not be allowed because the company was earning a fair return on its entire property. On this point the commission stated that

> if the street railway department is not earning a reasonable return on the fair value of its property it would be a discrimination and unfair to the users of gas and electricity to require them to pay excessive rates to make up the loss in the railway department.

The view thus expressed carries out the general policy recognized by the commissions, but not always followed in detail in individual cases.

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The Right of Municipalities in Rate Cases.—On August 4, 1927, the board of public utility commissioners of the state of New Jersey authorized the Public Service Transportation Company to make certain changes in zones on some of the lines operated under permits granted by local municipalities. These permits had been originally granted to private operators, and they fixed the terms of operation, including the routes, fares and zones. Subsequently, the company purchased the permits and proceeded to operate the bus lines in coördination with the Public Service Railway Company, which practically has a monopoly of street railway operation in northern New Jersey. After acquiring a large proportion of the permits, the Transportation Company took steps to change the fare zones on certain lines and asked the approval of the commission in disregarding the terms fixed by the municipalities.

The municipalities affected appeared in opposition to the company's petition, and attempted to show that the company was already earning an adequate return on the fair value of the bus properties, and that, in any case, the particular lines were arbitrarily selected for the duplication of fares, without regard to the entire bus system. The commission—in respect to some of the municipalities—substantially complied with the petition, and authorized the change in zones.

This action was deemed arbitrary and illegal by the municipalities, which petitioned the supreme court of the state for a writ of certiorari to review and set aside the commission's findings and order as arbitrary and illegal; the writ was granted, and the matter is now before the court.

The chief point of general interest in this proceeding is the fact that the municipalities were recognized as a legal party in this action. While cities throughout the country have been involved in rate litigation, both before commissions and the courts, in almost innumerable cases, their legal status has never been clearly defined and their appearance has been regarded more on sufferance than as a matter of right. While the standing of the municipalities was questioned in the New Jersey case, the writ was, nevertheless, granted to the petitioners, which included also private individuals. It appears, therefore, that the grant of the writ constitutes in New Jersey an outright recognition that the municipalities as such have a legal status in rate and public utility matters, as representing their citizens collectively.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY RUSSELL FORBES,
Secretary

Change of Name.—By vote of the membership, the name of the Governmental Research Conference has been changed to the Governmental Research *Association*.

1928 WORK PROGRAM OF THE RESEARCH BUREAUS

Bureau of Business and Government Research, University of Colorado.—Our work program for 1928 includes editing *Colorado Municipalities* every other month, arranging for our annual convention in June, compiling a directory of city officials in April and May, and making a comparative study of the efficiency of cities of over 2,000 population, similar in character to the study we made in 1923. In addition, of course, the routine work of the state association will be carried on, such as sending out information upon request, conducting membership drives, and compiling comparative information on various phases of city government, which is usually published in the magazine.

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Dayton Research Association.—Most of the effort of the Bureau will be spent on the study of county government and its various agencies with emphasis on finance, bonds, roads and the children's home. At the same time we will maintain contact with city and school affairs.

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Taxpayers' Research League of Delaware.—The chief item on the program of the League for 1928 is the state finance code, which contemplates a reorganization of the state's accounting, financial reporting, and budget systems; a revision of the revenue and taxation system; and the fixing of definite debt-incurring and sinking-fund policies. The contemplated code is also to cover the same field for county and local finance.

Subject to the exactions of the finance code, the League's program for 1928 also includes the following: a study of methods of legislative procedure; a plan for state administrative reorganization; preparation of a new charter for Wilmington; further study of a system of centralized purchasing.

The whole program of the League is designed with a view to constructive action in the 1929 session of the legislature.

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Des Moines Bureau of Municipal Research.—The Bureau plans to unde take the following projects during the year 1928:

To assist the city plan commission or other citizen's group in the preparation of a ten-year operating and capital outlay budget for all local taxing subdivisions.

To urge the county board of supervisors to purchase photographic equipment for the recorder's office.

To assist the city clerk in putting the new permanent registration law into effect.

To prepare a report on the operation of the municipal airport with suggestions on its future operation.

To prepare laws for introduction in the 1929 session of the legislature.

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The Taxpayers' League of St. Louis County, Inc. (Duluth).—The 1928 program is as follows:

The study of the organization of St. Louis County will be continued and a program launched looking toward complete reorganization. It is intended that the necessary legislation will be presented to the 1929 session of the state legislature.

Work on the preparation of a ten-year budget of permanent improvements will be continued, and as rapidly as the city planning commission's reports are published, definite recommendations will be made of the proper financing methods.

The League will assist the city engineer in the development of plans for reconstructing Duluth's sewer system. The study of special assessment methods and practices in Duluth will be con-

tinued, and in all probability certain recommended revisions will be submitted to the city council. A study of Duluth's garbage collection system will be made. A comparative analysis of governmental costs in Fall River, Dayton, Des Moines, New Bedford and Duluth is contemplated. An analysis and digest of expenditures of the school district will be made. Information appropriate for reforestation and development plans of St. Louis County will be produced.

Essential facts on pending projects will be published as bulletins of the League.

The League will consult and advise committees of the Duluth Chamber of Commerce, Civic Council, and other agencies, in matters of legislation and municipal programs and systems.

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Bureau of Municipal Research and Information, University of Florida.—During the year our library and other facilities will be increased as rapidly as finances will permit, while graduate students will conduct investigations and surveys of the state penal and charitable institutions, the effect of municipal advertising, the city-manager plan in Florida, and the expense of present county government in the state.

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The Albert Russel Erskine Bureau for Street Traffic Research, Harvard University.—The Bureau will continue to act, during the year 1928, as traffic advisor to the cities of Los Angeles, San Francisco, and Chicago.

The Bureau will complete the traffic survey report of the city of Boston early in 1928, and will serve as technical advisor to the administrative officials of the city in the application of the rules and regulations proposed in the report.

The Bureau will complete a traffic survey report on the city of Providence, Rhode Island, early in the year 1928.

The traffic survey of the city of New Orleans, which has recently been started, will be conducted by the Bureau during the year 1928, with plans for completion of the report late in the year.

*

The Civic Affairs Department, Indianapolis Chamber of Commerce.—The department will carry out the following projects during 1928:

The customary watch over the administration of the annual budget appropriations and investigations concerning the budgets prepared in 1928 for operation in 1929. A survey of municipal employment with a view to determine what, if any, positions of employment may be eliminated or combined in betterment of the public service. The department will continue its efforts to restore the merit system of employment and promotion in police and fire departments, and to obtain its adoption for all other public employes.

The department will study each proposed capital expenditure of all units of local government and submit recommendations to the officials in charge.

It will endeavor to bring about improvement in school-city budget procedure because of the present overlapping of fiscal and tax levying years.

It will make a study of the county road building program.

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Kansas City Public Service Institute.—The Kansas City Public Service Institute's program for 1928 is largely a continuance of previous activities extended and expanded to meet new conditions and to include new subjects within the general scope of work previously done. Some principal items have been the subject of extensive study previously; others are almost new. The program, of course, is subject to change as conditions arise which demand immediate attention or which are deemed of particular importance.

City Finance.—Each year analysis of the city budget and coöperation in the improvement of budget methods are a part of the spring activities. This year effort will be made to make the city budget a more complete and informing document and one which will control city finances more effectively. If possible, it is hoped that a study of city purchasing methods and results may be made. As usual, current reports on the condition of city finances and on the cost of local government generally will be made.

Financial Program and Bond Issues.—Efforts will be continued to secure the adoption of a financial program. Aid will be given in the preparation of such a program if one is prepared. Bond issues in accordance with such a program will be analyzed and reported on in accordance with past custom. For all bond issues, all available information on proposals, needs, tax cost, plans, etc., will be presented.

Special Assessments.—Following up the report on special assessment procedure and practices in other cities, made in 1927, further study will be made of the methods of special assessment in Kansas City, including cost, equity of the methods of distribution used, and suggestions on possible improvements. At the same time, it is planned to make reports on large improvement projects to be paid for by special assessment before such projects are approved by the council.

Assessment for Taxation.—Careful study of the results secured by the present method of assessing property for taxation will be made. Previous studies have shown that present assessments are very inequitable in many cases. An effort will be made to determine the extent of the inequity. Methods used in other cities will be studied and presented to determine in what respects improvements can be made in Jackson County and Kansas City, and what steps are necessary to secure them.

County Government.—Further study of the organization of Jackson County government, of its financial methods and financial results, will be made. Based on the studies, changes in state law necessary to make possible a simple, centralized form of county government with financial control through modern accounting and budget systems will be drafted, probably in cooperation with county officials and interested organizations. Steps will be taken also looking toward the adoption of the recommendations made in the report on county welfare activities. Further studies will be made of the possible increase in efficiency and saving in cost from the adoption of the photostatic method in the recorder's office, and support will be enlisted toward securing the adoption of this method.

City Service.—A considerable amount of activity in the various city departments is almost a routine matter with the Institute. Current operations are watched, plans and programs are analyzed, special features are studied carefully, and officials are aided in improving operation. This applies to such departments as the fire department, health department, finance department, etc. The report on the water department will be completed and followed up.

Little progress has yet been made on the adoption of modern personnel methods in selecting, retaining, classifying and paying city employes. It is hoped that some definite results can be reported before the end of the year.

A complete administrative study of the police department is one which the Institute has had on its program for some time; but because of the special nature of the work and the necessity of employing police administration specialists for the study, the Institute has not been able to finance it as yet.

Legislation.—There will be no session of the state legislature until the early months of 1929. The usual investigation of subjects of interest to Kansas City's government will come up, and assistance will be given in drafting the bills, organizing support, etc.

Among the bills which undoubtedly will come up again and in which the Institute will be interested are the permanent registration bill, police home rule bill, pension bills, and bills relating to the organization and operation of the county government.

Publicity and Education.—Publicity and education, and coöperation with other agencies will be continued as in the past, except that effort will be made to extend them and increase their effectiveness. Particular effort will be made to secure the preparation and adoption of a suitable text and course of study on Kansas City and Kansas City's public affairs in the public school system.

Municipal Reference Bureau, University of Minnesota, and League of Minnesota Municipalities.—*Minnesota Municipalities.*—The most important activity carried on by these organizations is the monthly publication of the official magazine of the League of Minnesota Municipalities. This consists of forty-eight pages each month. It contains articles on local and state government. The mailing list now includes about 4,000 state and municipal officials.

Ordinance Drafting and Revision.—The Municipal Reference Bureau maintains a valuable file of ordinances on more than one hundred subjects. As new ordinances are drafted in response to requests from municipal officials, they are added to this collection. In addition to drafting single ordinances, the League, at the request of various municipalities, has undertaken complete surveys of ordinances and has recommended the adoption of complete ordinance codes.

Inquiries.—During the past year, 1,175 inquiries were received at League headquarters by letter, telephone, telegram, or personal request and were answered by the League and Bureau staff.

Conferences and Conventions.—An annual convention of the municipal officials is held in June. The 1928 convention will be held at Brainerd, Minnesota, June 13–15, 1928. Other conferences for the current year include: a half day on the afternoon of February 9 at the Red River Valley Winter Shows Week, Crookston, Minnesota, which has been set aside by the management of the show as Municipalities' Day; the annual Minnesota Tax Conference, which, although a separate organization, is aided in its preparation and is supported in its meeting by the League, Bureau, and University, will meet at the University, February 7 and 8, 1928; plans are now being made to conduct a firemen's school for a week during August, 1928. This school will be conducted under the auspices of the League and University and the city of Minneapolis.

Publications.—The publications now in process of preparation include: an eight-page pamphlet containing the history and services of the League of Minnesota Municipalities; an article and model ordinance on the subject of billboard regulation; salaries of village officers in Minnesota; telephone rates in Minnesota; tax rates in Minnesota; a suggested accounting system for villages; forms to be used in connection with street improvements under chapter 65 of the laws of 1919; indebtedness of municipal subdivisions of Minnesota.

Committee Activities.—The League of Minnesota Municipalities, with the coöperation of the Municipal Reference Bureau, is carrying on through its committees a program of research into problems which are of vital interest to municipalities in this state. The subjects of these inquiries are indicated by the titles of the committees which are as follows: budgets and municipal accounting, bus regulation, elections and salaries, exempt property and delinquent taxes, fire prevention and fire fighting, garbage and refuse disposal, gross earnings, home rule and charters, judicial decisions, legislation, membership, municipal indebtedness, ordinances, planning and zoning, public health, public safety, public utilities, revision of village laws, sewers and sanitation, stream pollution, streets and pavements, swimming pool sanitation, taxation and assessments, townships, and traffic.

Particularly important in the foregoing list are the committee on exempt property and delinquent taxes which is engaged in making a thorough study, which will probably continue over several years, of the causes and effects of tax delinquency in this state; and the committee on the revision of the village law which is engaged in preparing a suggested draft of a new village code to replace all existing laws on the subject and to bring the villages of the state of Minnesota under a single act. They are now operating under three different types of organization.

Essay Contest.—An essay contest among the students of the high schools of the state on the subject "My Home Town" is now being conducted, and prizes are being offered by the League to a total amount of $100. The material secured through this contest will undoubtedly be of value in the files of the League, and the contest itself is designed to stimulate the interest of the high school students in their local governments. More than fifty high schools have already indicated their intention to participate in the contest.

Bureau of Research, Newark, N. J., Chamber of Commerce.—The Bureau will, as in previous years, closely follow the bills proposed in the state legislature. It will also interest itself in all matters pertaining to municipal government in the city of Newark. Specific problems will be a revision of the state highway finance program, and a study of consolidation in this area.

If the opportunity presents itself, reports will be made on both street cleaning and refuse disposal, and on the central market.

Philadelphia Bureau of Municipal Research.—The 1928 program of the Bureau of Municipal Research of Philadelphia may be divided into three general classes: studies of city government, consultation and information service, and public dissemination of information.

Philadelphia's Water Supply Problem.—The particular phase of the water supply problem of Philadelphia to which the Bureau is giving most attention at present is the prevention of water waste and especially the possibility of reducing water waste by the universal installation of meters. Only 30 per cent of Philadelphia's water services are metered now. In coöperation with the receiver of taxes, by whose office water rents are now collected, the Bureau has undertaken to compute from the records of meter readings in that office the actual consumption of water on metered premises. With this information, which has previously not been available, an estimate can be made of the consumption on un-

metered premises and of the probable effect of universal metering. The information will also be useful in studies of classes and distribution of consumption and in consideration of meter rates and income from the water works.

The City's Borrowing Policy.—The Bureau is continuing its study of the city's borrowing policy, especially the relative merits of sinking-fund bonds and serial non-sinking-fund bonds.

The City's Sinking Funds.—Closely related to the study of the city's borrowing policy is its study of the city's sinking funds. This study is designed to assist in improving the administration of the city's sinking funds.

Employment Conditions in the City Service.—As a means of stimulating greater public interest in the city's need of a better classification of positions and a standardization of pay, the Bureau is making inquiries into the employment conditions of the city service. At present it is making an analysis of the turnover in the competitive class in recent years.

Methods of Recording Deeds and Other Instruments.—With a view to discovering whether the recording of deeds and other instruments in Philadelphia is being done as cheaply and as expeditiously as possible, and, if not, what improvements could be recommended, the Bureau has undertaken and now has under way a study of these methods. Among other things, the Bureau is giving attention to the feasibility of the use of form books and of the photographic process of recording and copying instruments.

Methods of Registering Voters.—Because of the widespread discussion of permanent registration, the Bureau is studying methods of registering voters and especially of the feasibility of permanent registration in this city.

Survey of the Municipal Court.—The survey of the municipal court, which was begun in 1925 upon invitation of the board of judges of the court, is still under way. A little of the field work and a great deal of editorial work remains to be done. This survey is being made by the Bureau as agent of the Thomas Skelton Harrison Foundation.

Municipal Contracts in Philadelphia.—This is another study which the Bureau is making as agent of the Thomas Skelton Harrison Foundation. At present attention is being given to methods of controlling force account work, and to the problem of bonding contractors and in other ways securing the city against failure on the part of contractors to perform their contracts.

Special-Assessment Methods in Philadelphia.—Partly as a piece of coöperation with other research bureaus who are studying special-assessment methods and partly to assist in improving Philadelphia's methods, the Bureau is making a study of special-assessment methods in this city.

Methods of Assessing Real Estate for Taxation.—In view of the rather widespread dissatisfaction with the city's present methods of assessing real estate for taxation purposes, the Bureau is studying these methods. A general survey of the problem is now being made. Later some specific phase of the problem will be selected for intensive study.

Indexing of City Solicitor's Opinions.—As a supplement to its index of ordinances, the Bureau is now preparing an index of city solicitor's opinions from 1883, the earliest year for which the opinions are printed, to the present time.

Consultation and Information Service.—The Bureau's consultation and information service varies according to the demands made upon the Bureau by city officials, citizens' organizations, and private individuals. It is therefore not possible to plan this phase of the Bureau's work in advance. It consists of consultation service by members of the Bureau's staff to city officials, committees of such organizations as the Chamber of Commerce, the City Club, and the Philadelphia Conference on Government, and to representatives of other civic and social agencies of the city. Much of the time of the Bureau's staff is devoted to supplying information upon request.

Public Dissemination of Information.—Under this heading belong such activities of the Bureau as the publication of its weekly bulletin, *Citizens' Business*, the preparation and issuance of press notices and of open letters to city officials, the preparation of articles for civic and educational periodicals, the delivery of public addresses, and the distribution of Bureau literature. All of these activities will continue in 1928.

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The Thomas Skelton Harrison Foundation of Philadelphia.—The work of the Thomas Skelton Harrison Foundation in 1928 will probably consist chiefly of financing civic work done by others. There will be a continuation of the study of the Philadelphia magistrates' courts which is in charge of Spencer Ervin, Esq., of the Philadelphia bar. His report is now being written. Two other pieces of work which the Foundation will continue to finance are a survey of the mu-

nicipal court of Philadelphia and a study of municipal contracts in Philadelphia. Both these studies are being made by the Philadelphia Bureau of Municipal Research as the Foundation's agent. Further particulars concerning them will be found in the statement of the Bureau's plans for 1928.

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Rochester Bureau of Municipal Research.—It has seemed almost impossible for our organization to work out a program for 1928 with any definiteness inasmuch as the transition from the present form of government to the new form will undoubtedly give rise to many important problems, in the solution of which the Bureau will be called upon to help. It seems that one of the greatest services the Bureau will be able to render will be that of aiding in this transitional period. It is impossible to forecast the exact nature of these problems.

One of the biggest undertakings with which the Bureau will be concerned is that of outlining a complete municipal code and that, so far, is the main job projected for 1928.

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San Francisco Bureau of Governmental Research.—Subject to unavoidable interruptions, the Bureau's program of major activities is outlined in the following paragraphs.

Charter Revision.—The Bureau has done a vast amount of work during the past several years on the analysis of our existing charter, and the formulation and drafting of an extensive charter amendment designed to reorganize the governmental structure, and to revise and modernize municipal procedure along business-like lines.

Further activity under this heading will constitute the most important of the major Bureau operations during the next year, with the hope of bringing such a complete charter revision program before the people at the November, 1928, election.

Salary Standardization.—One of the most important Bureau activities for the coming year is involved in the completion of the study of all municipal employments (now about two-thirds finished) for the purpose of properly classifying each position and defining each of the numerous employment classes in the municipal service. Two Bureau staff men are now giving full time to this work.

Upon the completion of the proposed classification, and hearings thereon, this will be proposed for adoption by the civil service commission for examination purposes, and by the board of supervisors for salary standardization purposes.

A second phase of the work will involve a comprehensive study for the determination of proper standards of compensation for each class of employment, and the preparation of a complete schedule of compensations covering the entire city service.

San Mateo Survey.—This work is being performed by the Bureau and financed by the San Francisco Chamber of Commerce. Three men have been assigned to this study, working out of a temporary office in Burlingame.

The study will bring together information on finances, governmental functions, organization and many other pertinent factors that should be considered in any proposal for the consolidation of, or coöperative action by, San Francisco and San Mateo counties. It is expected that the study will be completed and the report based thereon issued for public distribution early in 1928.

Garbage Survey.—A survey of garbage collection rates and procedure, requested by the Board of Health, and to which the Bureau has assigned an engineer, is in its preliminary stages. Subject to the continuation of coöperation by the two scavengers' associations, this will be carried to completion.

This should result in a complete analysis of the equity of garbage rates now specified by ordinance. It should likewise provide a basis for the establishment of rates for business houses, buildings and hotels for which legal rates are not now specified, and for the improvement in many details of the present collection procedure.

Fiscal Information.—The keeping of a system of "skeleton" accounts will be continued for the purpose of maintaining up-to-date Bureau information on the expenditures from and commitments against all city funds, also the revenues received or payable into such funds. This work has proved of great value to the Bureau, and indirectly to city officials, during the past year.

Accounting Improvements.—Work is now in progress, and should be completed in the near future, involving analysis of present methods of annually preparing the city's assessment roll and tax bills. It is expected that the use of mechanical office equipment and less complex forms will reduce the present labor cost for this work.

Measures have been proposed looking to a saving of time and cost in two city offices, by the use of mechanical bookkeeping processes to replace the existing detailed hand-posting and balancing methods. It is hoped that these improvements can be effected during the coming year.

Similarly, proposals are being developed for an improved and more economical procedure for the preparation of departmental payrolls. In addition, the Bureau has renewed its previous proposals for the payment of employees on the job, to eliminate the existing losses occasioned by requiring employees to travel to the city hall for their pay checks.

Market Street Railway.—Compilation and mapping has recently been completed and published, showing dates of expiration of all private street-railway franchises, as a basis for public information of the particular services affected.

The Bureau will keep in touch with, and study all proposals for the solution of the street-railway transportation problem, which will become of increasing importance, due to the expiration of important franchises in 1929.

Health Department.—The health officer has requested the Bureau to complete its report, based on a previous survey, and to submit to him proposals designed to improve the organization and procedure of the health department. It is hoped that this can be taken up early in 1928 and pushed to completion.

Street Cleaning.—The superintendent of the bureau of street cleaning has requested the Bureau to make a survey of his department from the standpoint of need for additional men and equipment.

It is hoped, if staff service can be made available, to take this matter up, including also the factors of organization and procedure as applied to street-cleaning operations, and complete the study and report in time for consideration in connection with next year's budget.

Street Reconstruction.—Several requests have come to the Bureau for an analysis of street repair and reconstruction methods and costs. Controversies between the board of supervisors and the board of public works relative to the cost and programming of the work make such a survey highly desirable.

The superintendent of the bureau of street repair has expressed his interest in having such a survey made and has promised complete coöperation. It is hoped that work on this can be started at an early date and pushed to completion.

Public Information.—As a continuing item on its program, the Bureau serves as a staff agency for each of the five sections of the municipal affairs committee of the Chamber of Commerce, each section having a major work-program.

Staff service is also rendered on request to the Down Town Association, Real Estate Board, San Francisco Center, Commonwealth Club, Building Owners' and Managers' Association, and other civic organizations.

Capital Expenditure Program.—The Bureau recently completed a re-compilation of officially-proposed major and continuing projects, involving a total cost of $335,000,000, together with the Bureau's estimate of from $172,000,000 to $260,700,000 as the extent of the city's resources during the next ten years for the financing of such projects. Efforts will be renewed to secure the formulation of an orderly program.

Police Department.—The chief of police has requested the Bureau to bring its previous police department survey up to date, and to submit to him a report proposing such changes and improvements as the survey and analysis may seem to indicate as desirable. The completion of this work is entirely dependent on the availability of staff service therefor. At the present time, it seems impossible to undertake this work for at least several months.

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Taxpayers' Economy League of Spokane.—The work of the Taxpayers' Economy League of Spokane may be divided into two parts: that relating to the government and finance of the local governments, and that relating to state government and finance.

During the coming year we will continue our current work of checking expenditures of the city, county, and school governments, carefully analyze the budgets of each and make investigations on any special matter that may come up in any of the budgets. Special study will be made of city-owned motor vehicles and the matter of a central city garage, the problem of traffic congestion in the city and means for its control, photostatic recording of public documents, and tax contribution to public charity.

Since the legislature meets in January, 1928, we shall be busied with investigations of proposed initiative measures as well as the proposed constitutional amendment relating to classification.

NOTES AND EVENTS

Ashtabula, Ohio, Retains Municipal Ownership of Electric Light Plant.—By the narrow margin of 28 votes, the people of Ashtabula last November decided against the sale of the municipally owned electric plant. The campaign was an extremely bitter one. The proposal was to put the plant up for public sale, but the Cleveland Illuminating Company had indicated that their bid would be at least $2,000,000, and this company is believed by some to have been deeply involved in the campaign. Following the election, the Cleveland Company was given a permit to bring its power into the city to serve the docks and railways, but immediately referendum petitions were circulated against the ordinance, and the newspaper report is that sufficient were filed to carry the matter to the electorate.

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Error in Published Tax Rates.—In the "Comparative Tax Rates for 249 Cities," appearing in the REVIEW for December, 1927, the final readjusted rate for Buffalo, the twelfth city in the list, was given as $18.70. This is an unfortunate error. This figure should be $26.50, which is the amount of the total rate of $33.98 reduced to a 78 per cent basis.

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City Charter Movement in Milwaukee.—The City Charter League adopted on December 21, 1927, an outline of the principles of a strong-mayor—P. R. form of government.

It is planned that the charter will be voted upon April, 1929, and the work necessary to complete it is now under way. Such subjects as pensions, special assessments, amortization fund, civil service, etc., have still to be covered, but will be finished within two months.

The outstanding item in the new charter is the elimination of the ward system and the adoption of P. R. system of electing the aldermen. The council will be elected from three districts. A variation from the Cleveland system was adopted; instead of deciding the size of the council in advance, the number of votes necessary to elect a candidate was decided, *i.e.*, a uniform quota of 7,000 ballots. Based on the election figures of 1924, the council would contain about nineteen members. This system of P. R. has not been used in this country, but where a district system is provided it has the following advantages over the usual system:

(1) It automatically re-apportions the members to the three districts each election time to correspond with growth of the city through annexations or otherwise, thus eliminating the inequalities which might otherwise develop between the times fixed for re-apportionment. District lines do not have to be disturbed no matter how large the city may grow.

(2) It tends to bring out a full vote, with increased representation for the district as a reward and decreased representation as a penalty.

(3) It insures approximate equality of voting power in all parts of the city. All voters (except the few who do not vote for any winning candidates) form parts of quotas of approximately equal size, no matter in which district they may live.

(4) Under the uniform quota plan a voter never helps win an extra seat for his district unless he can win the seat for a candidate he is willing to vote for. He can never defeat his own wishes by securing a seat for a candidate he considers worse than no representative at all.

(5) The uniform quota is easier to explain than a quota calculated on the basis of a definite number to be elected.

The city manager plan was carefully considered, but due to strong opposition from the labor and socialist groups the strong-mayor plan with a few variations was adopted. The ballot was shortened by eliminating the election of the city treasurer, controller and city attorney. The veto of the mayor was eliminated, but he has the right to ask for a reconsideration of an ordinance. The mayor appoints his department heads with the confirmation of the council for indefinite terms, but he may discharge them without approval of the common council. This provision will prevent holdover appointees.

The board of estimates is abolished and an executive budget system established. A new department of finance is created consolidating seven separate departments. It will have complete control over the financial affairs of the city including the keeping of accounts, current audit-

ing, custodian of funds, tax assessing, purchasing supplies and real estate.

The council is to appoint an auditor for indefinite term who shall be a certified public accountant. He shall make a continuous audit, make investigation for the council, certify all financial reports, act as secretary of the budget and in general function as a research department of the council.

Ex-officio members are removed from the city planning commission. Five members are to be appointed by the mayor and approved by the council.

Civil service provisions are carried higher, covering all officials including department deputies. But the backdoor is opened, and dismissal of all bureau and division heads may be made without approval of the civil service commission. Clerical employees still retain the right to a trial before the civil service commission in case of dismissal.

Our present charter includes about 800 pages of printed matter. By providing for an administrative code, it is hoped to keep the new document under one hundred pages. The model charter recently revised by a committee of the National Muncipal League was used whenever possible, and in completing the charter will be used to an even greater extent.

HAROLD L. HENDERSON.

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Unsuccessful Recall Attempted in Greensboro.—Six years ago Greensboro, North Carolina, adopted the council-city manager type of municipal government, and it has proven very successful. However, a few months ago dissatisfaction arose, due primarily to the fact that the council granted the city manager a leave of absence of four months in order that he might recuperate from a serious illness. He was to receive a little more than half pay for this period and in the meantime the mayor was to take over the office of manager. This decision of the council was made by a three to two vote in the face of active opposition.

When news of the action reached the people, a mass meeting was called by a group of the voters and a movement for the recall of three councilmen and the mayor was started. The charges brought against these men were based on the following:

1. The granting of the taxpayers hard-earned money to the city manager for a vacation.

2. Failure to decrease the number of officeholders or expenses.

3. Failure of the council to keep certain promises made during the last election.

It was a necessary requirement of the charter that one-fourth the number of voters who participated in the last election should sign the petition of recall before the machinery could be put in operation. This number having been secured with considerable difficulty, a day was set for the people to vote whether these men should be removed from office. Four men appeared as opposing candidates and the recall became the chief topic of conversation for the entire town. In the meantime the registration books were opened and nearly three thousand people registered who had not voted in the last city election.

In opposition to the arguments stated in the recall petition, the supporters of the incumbents maintained that the recall could properly be used only in case of malfeasance of office and this had not been proven. This group also maintained that, if men should be recalled on such trivial grounds and without just cause, it would be impossible for Greensboro to secure any self-respecting citizen to serve on the council. Their last point was, if men who labor so hard for the city on a salary of two hundred dollars a year should be recalled, it would reflect upon the good name of Greensboro. Consequently advertisements appeared containing the following statements: "What is the matter with Greensboro?" "Greensboro resents the recall and all that it implies"; "A vote for these men is a vote for Greensboro."

The result of the election on September 26 was an overwhelming vote of confidence in the council; and the four men, whose recall was desired, received over twice as many votes as the men who were running against them. It was not only a vindication of the men but also a vindication of the council-city manager type of government with which they were identified; and it is safe to say that Greensboro will not use the recall for many years to come unless the emergency is very great.

Typical of this attitude is the following statement which appeared in one of the Greensboro papers when the results of the recall became known: "The recall is a powerful weapon which the people saw fit to acquire and preserve in their charter. Many years have passed, and it has not before been resorted to for any purpose. A plain meaning of the election figures this morning

is that nothing is more unlikely than it will be invoked under similar conditions, for similar purposes, for a long time to come."

R. S. Rankin.

Duke University.

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Right of a Citizen to Inspect Federal Personnel Records Denied.—The federal courts have defined and finally held that a citizen as such has no right to inspect the personnel records of the United States civil service commission in order to find out who federal officers and employees are and without question the decision applies in full to the records of the score or more of other federal personnel agencies. E. C. Stowell, president of the Better Government League, with headquarters in Washington, requested the civil service commission in his capacity of a citizen of the United States to furnish him with a list of temporary employees in the District of Columbia or to allow him to inspect its records so he could make up such a list himself. When the civil service commission refused to furnish him with the information, Mr. Stowell instituted mandamus proceedings in the supreme court of the District of Columbia. When an adverse decision was made, Mr. Stowell appealed the case to the court of appeals of the District of Columbia, which likewise decided the case adversely. Mr. Stowell then asked the Supreme Court for a writ of certiorari, which was denied.

In opposing the issuance of the writ of mandamus, the civil service commission held that "the law does not impose upon the Commission either the duty of keeping its temporary appointment records in a form available for public distribution or the duty of permitting access to or the obtaining of information from such records." The courts accepted this view of the situation and took occasion to point out that it would not give aid and comfort to "somebody nosing around, who, without stating any interest except that he is a citizen of the United States, demands a long list of officers." This reasoning seems to be based upon the assumption that because "citizens merely" are numerous the interests of any one of them as a citizen are so slight that neither the courts nor administrative officers need take cognizance of them.

The Better Government League, finding that the courts will not give redress in this matter, proposes two measures—the passage of a bill specifically making it the duty of the personnel agencies and departments to make their personnel records accessible to citizens with the exception of law enforcement officers, whose usefulness would be destroyed if their identity were known, and a congressional investigation into the whole situation for the purpose of discovering and proposing remedies. The Better Government League holds that the federal personnel system can hardly be worthy of the name with a score of central administrative agencies engaged in personnel work and that, in fact, the results now obtained are highly unsatisfactory from the point of view both of employees and the public as an employer.

A copy of the Better Government League's publication, "The Public Business," giving details of the suit will be sent free of charge to any interested person on request.

Fred Telford.

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To Study Classification and Reporting of Crimes.—A gift of $50,000 has been received by the Detroit Bureau of Governmental Research from an unnamed philanthropy to finance a project of the International Association of Chiefs of Police for developing a uniform classification of crimes and the uniform reporting of offenses throughout the country. Police Commissioner William P. Rutledge of Detroit is chairman of the Committee on the Standardization of Police Crime Records which will have charge of the new work. Other members of the committee include Chief Joseph A. Gerk of St. Louis, Chief Jacob Graul of Cleveland, Chief James Higgins of Buffalo, Chief L. V. Jenkins of Portland, Oregon, Chief Thomas Healy of New Orleans, Supt. Michael Hughes of Chicago, and Chief August Vollmer of Berkeley, California.

It is expected that the study will furnish not only a means of measuring the effectiveness of police activity, but more particularly, a basis of diagnosing and attacking at the source the social causes of crime, and will constitute a first step in crime prevention. At present there is no means of telling how extensive the crimes are or how effective are the current remedies.

An advisory committee is to be appointed to coöperate with the police chiefs' committee so that its crime statistical collection work will be correlated with work now being undertaken or proposed with regard to judicial and penal statistics. Dr. Lent D. Upson will be chairman of this committee, which will include representa-

tives of the census bureau, department of justice, the American Institute of Criminal Law and Criminology, and several widely known penologists.

Bruce Smith of the National Institute of Public Administration, who has had more than ten years practical experience with police problems, and who has written extensively on the subject, has been named director of the work.

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Alameda County Civil Service Commission Defines Its Functions.—As was pointed out in the last issue of the NATIONAL MUNICIPAL REVIEW, the Alameda County civil service commission in the first year of its existence met with much opposition from various groups of persons unfavorably affected by its operations. This opposition was so strong and so frequently manifested misconceptions as to the fundamental aims of the public as an employer that the commission, early in December, felt called upon to address an open letter to the executive committee of the employees' association. Much of the opposition, it should be pointed out, was based upon the idea that certain individuals and groups should profit from the commission's employment work at the expense of other individuals and groups; this stand was often publicly expressed. The most significant portions of the commission's letter are as follows:

> The Commission feels that its duties under the charter are similar to that of the employment agency of any large corporation and that the selection of the highest grade employees is and must be its primary duty. It is not sufficient that a candidate shall be qualified; he must be the *best* qualified.
>
> The Commission is not infallible and it does not claim, nor even assume, that the methods now in use are above and beyond criticism. The Commission will at all times welcome constructive criticism, but criticism in order to be constructive must view the problem from the standpoint of the best interests of Alameda County, as a whole, and not from the standpoint of any individual or group of individuals.

FRED TELFORD.

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Program for Next Meeting of the Assembly of Civil Service Commissions.—Two members of the program planning committee met with the president of the Assembly in Washington early in January and decided to continue section meetings at the convention to be held in Denver, probably early in September, though a number of topics was added. The new sections are to discuss and report upon the functions of the personnel agency in government, the financial requirements of the public personnel agency, the relations of lay members of the public personnel agency to the permanent technical staff, service (efficiency) ratings, and the factors involved in the evaluation of the work of a public personnel agency. The chairmen of the various sections will be appointed immediately, and it is expected that papers which will serve as a basis for the discussion of the various sections will be prepared in advance and distributed among members in order that the discussions may hinge upon moot points and reports be made to the Assembly for action.

In this connection it should be pointed out that the Assembly welcomes individuals and representatives of civic agencies at its meetings and is glad to have them attend section meetings and to participate in the discussions.

FRED TELFORD.

STANDARDS OF FINANCIAL ADMINISTRATION

By
LENT D. UPSON
AND
C. E. RIGHTOR

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STANDARDS OF FINANCIAL ADMINISTRATION

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THE purpose of this chapter is to enumerate some of the more important and generally accepted qualities, both of organization and procedure, that characterize sound financial administration in an urban community. Public finance covers a wide scope of community endeavor, and obviously the criteria of correct practices must be expanded in minute detail if the numerous ramifications of the subject were to be explored to final conclusions. Such minuteness is impractical in any discussion intended for the use of the lay citizen, and this discussion, therefore, is limited to the general divisions of public finance,—particularly to budgeting public needs, financing current activities, financing permanent improvements, collection, custody and disbursement of funds, controlling financial transactions, and purchasing.

I. BUDGETING PUBLIC NEEDS

Every unit of government, regardless of type or location, collects and disburses revenue for presumably public purposes. Usually some more or less regular process is followed in preparing the estimates of expenses and in having these estimates approved by a legislative body. These authorizations are commonly spoken of as the budget, and the process by which the estimated income is correlated with estimated expenses and the latter finally authorized is called the budget procedure. Whether this process of correlation and the resulting budget are good depends upon the amount of care that is given to the procedure.

As almost a first step in the direction of the more efficient expenditure of public funds (excepting, of course, civil service, which had been inaugurated many years previously) the public turned to the introduction of scientific budget measures,—that is, careful planning and control of public expenditures. High hopes, that have been largely justified by experience, were had for the results to come from the introduction of scientific procedure.

What is this procedure from which so much has been realized that it has been adopted by the national government, forty-seven of forty-eight states, every large city, and many counties and smaller units of government? And what tests can be applied by the lay citizen to the appropriating procedure of his own community to determine to what extent it comports with modern practices?

1. *The estimates of expenditures for the fiscal period must be submitted to the legislative body as a carefully prepared program in which the needs of each city activity are correlated with the needs of every other activity, i.e., the budget must comprehend a thoroughgoing work program.*

Early budget requests were merely independent estimates submitted by public departments without regard to the needs of the other departments and of the city as a whole. The legislative body, having no intimate and continuous knowledge of all work done by the city, was scarcely in a position to weigh the merits of each request and correlate them into a well rounded

program in which no activity was out of balance. In consequence heavy appropriations were given those departments that had the greatest oratorical or political influence, and less colorful departments, perhaps having even more pressing requirements, were neglected. For example, health and education might be well supported while street cleaning and rubbish removal were neglected, or vice versa.

Such inequalities can be eliminated only when the chief executive,—that is, the mayor, the city manager, or in some few cities the city commission,—having an intimate knowledge of detail, carefully weighs the needs of each public activity and presents to the legislative body—which represents the taxpayers—a program which is susceptible of a minimum of justifiable modification.

2. *The estimated costs of this program should be balanced with available or expected income.*

In financial matters a city is little different from a private citizen, and when either consistently permits outgo to exceed income serious difficulties are ahead.

3. *Every principal activity conducted by a city should stand alone as an appropriation unit, and indicate the department conducting it.*

It is not proper to give a department head a large sum of money to be expended according to his best judgment, for such judgment may not conform to that of the taxpayers who pay the bill. For example, take police. In addition to general administration, the activities include record keeping, criminal identification, foot patrol, traffic control, detection, etc. The superintendent of police may be best qualified to indicate the emphasis that shall be placed on each of these services; presumably the legislative body and the public will follow his recommendations. However, so long as the theory prevails that the taxpayer is entitled to determine the purposes for which his money shall be spent, the budget should be so arranged that these purposes and the amounts appropriated for them are clearly indicated.

4. *The estimates of both revenues and expenditures should be stated in terms that can be understood by both citizens and the legislative body.*

It is not sufficient that a department should make a request for so much money to conduct a particular activity, —that would result in lump sum appropriations. Those concerned with appropriating public funds and paying the bills are entitled to know the basis of the estimates, *i.e.*, how much is to be spent for personal services, contractual services, supplies, materials, equipment, etc. In turn, each of these principal classifications should be further subdivided as to number of men to be employed, with their salary or wage rate under the heading personal service, what type of contractual service it is proposed to engage, and what kind of supplies, materials or equipment is to be bought. In modern budget practice these classifications are uniform throughout all departments, with the result that the departments speak the same financial language when making requests and permit the responsible authorities to compare detailed budget requests with the expenditures of the previous year and with similar expenditures in other departments.

Such detailed request is not necessarily the unit of appropriation, but rather is used to support the larger unit of appropriation which is ordinarily the activity, except with respect to salaries and wages.

5. *Within reason the budget through the appropriation ordinance should con-*

trol and appropriate all of the funds belonging to the city.

Cities have a practice imposed by charter and state law—sometimes with very little reason back of such legislation—of segregating their income into a number of funds, to be devoted to a specific purpose. For example, the revenues from taxation and miscellaneous sources are usually designated as the operating fund and sometimes divided into numerous minor funds, all of which must be spent for current operation or minor permanent improvements, although there is nothing to prevent acquiring major permanent improvements also, and in fact such procedure is to be advocated in some instances. Money from the sale of long term securities is usually segregated for the specific purposes for which the bonds were issued. Money raised by special assessments for benefits assessed must be used to meet the cost of the specific benefits incurred. In addition, frequently there are trust funds, each kept separate, the income of which is to meet the future cost of pensions, gifts for specific purposes, etc. The maintenance of these more important funds is justifiable, but wherever feasible their income and expenditures should be included in the budget procedure and the appropriation ordinance to insure both being under proper control and in order that the budget may be a reasonably complete picture of the city's operations.

6. *There should be an ample time schedule for the budget procedure.*

The estimates should be prepared several months prior to the beginning of the fiscal year, with adequate time for their review and correlation by the executive, and for consideration and adoption by the legislative body. All budget action should be completed before the beginning of the fiscal year. The executive might well have a permanent agency assisting in budget study.

7. *Public hearings should be provided.*

In addition to the executive and legislative bodies affording a hearing to the department heads, the legislative body should provide for one or more public hearings upon the tentative budget, with ample advance notice to the public of the time and place of such hearings. A budget exhibit provided by a city deserves special credit, in judging of the adequacy of budget procedure.

8. *The budget should contain adequate comparative and supplementary data.*

Data relative to appropriations and expenditures for two or more preceding years are invaluable; also supplementary information relative to the city's finances, by funds, etc. A summary should be prepared, and accompanying the transmittal of same by the executive to the legislative body might well be a budget message, concisely setting forth the major facts about the budget for the ensuing year.

Provision should be made also for transfers, contingencies, salary schedules, etc. The city should adopt an adequate appropriation ordinance.

9. *After the budget has been enacted as an appropriation ordinance, procedure should be established to insure the funds being spent in accordance with the wishes of the appropriating authorities.*

One of the principal weaknesses of present budget procedure is found in an absence of thorough-going control over expenditures. The principal step that can be taken in the direction of budget control is to insure that liabilities are not incurred unless properly authorized. This is a relatively simple procedure if cities will undertake it.

It is customary to provide that no order from a department and upon a vendor is valid unless it is approved by the city controller. The controller,

incident to such approval, charges the amount of the order against the appropriation of the department, correcting his books when the actual figure is obtained from the invoice. In the meantime this charge is called an encumbrance. These encumbrances deducted from the actual cash balance in the appropriation give the remaining amount that the department has still to spend. With this control, it is impossible for the department to run up bills in excess of appropriations.

It is equally important that the department does not spend all of its money the first few months of the fiscal year. To control this, a system of allotments is coming into use. Monthly or quarterly each department is required to deposit with the controller for his approval a program for expending the balance of the available appropriation. If the proposed expenditures exceed one-twelfth, or one-quarter, of the total, some explanation must be forthcoming.

There are numerous other elements that go to make up a sound budget procedure and which will eventually be incorporated in the budget procedure of the future. However, it is at present unfair to judge the budget procedure of a city government by improvements that have not yet been generally adopted.

Briefly, among such improvements is the desirability that the budget estimates present a complete picture of what is eventually hoped to be accomplished by any department with some indication as to how far that hope can be realized by the appropriation requested and granted. For example, the public health authorities have a fairly clear idea of the reasonable limits of public health work as measured in the possible reduction of the morbidity and mortality rates. To accomplish these ends, it may be estimated that such a sum of money must be expended. When future health officers present their budget estimates to the chief executive, it may be expected that they will outline what a complete program would cost and what per cent of that program is being met by the appropriations they expect to secure. Thus an important administrative problem will be placed squarely before the public, who can say how much public health they wish to purchase.

Also public officers will submit estimates not only in terms of activities, but in units of work to be done and in unit costs of such work. Many public services are easily measurable in units of service. For example, it will be impossible for a superintendent of street cleaning to request such a sum of money for the hand brooming of streets. He will be compelled to estimate so many thousands of square yards of street to be hand broomed at a given unit cost, showing how the total compares with the units of work of the years previous and the unit cost compares with prior unit costs, and possibly even with such figures of other cities. The budget will then furnish a yardstick by which the effectiveness of a city government can be measured by the public.

Further, possibly inter-departmental services will be charged for. For example, every public water department is furnishing large quantities of water to school buildings, public offices, the fire department, and even to semi-public institutions free of cost. On the other hand, it enjoys a freedom from taxation that would be imposed upon a utility owned by private citizens. Efficient management and accurate costs will require that public utilities owned by the city be put upon a business basis, showing these charges and credits, and operating as nearly as possible like privately owned utilities.

II. Financing Current Activities

In financing current activities, the city obtains its revenues from many sources,—taxes, licenses, fines, forfeits, subventions or grants from the state and other units, donations and gifts, pension assessments, sale of privileges, etc.

It would be impossible in the scope of this paper to discuss each of these sources of revenue and the criteria of its proper assessment and collection. This discussion is confined entirely to the methods of assessment of property taxes, which usually comprise from 60 per cent to 90 per cent of municipal revenue devoted to the purposes of current operation.

Also, it is necessary to confine the tests to the actual procedure by which taxes are levied, ignoring any question of the justice of the incidence of taxation. The chief elements of a modern assessing system have been set forth so thoroughly in the numerous assessing manuals that it will be sufficient to mention them only briefly.

1. *There should be a single authority imposing the assessments for taxation purposes, having a long term of office and being as completely divorced from politics as possible.*

The difficulty with the prevailing assessment organization as found in most cities is that the assessing authorities, usually a board of some sort, are closely connected with the political life of the community. The public so far has demanded the right either to elect its assessors or to have them appointed for such short terms that they are subject to political influences. Assessments honestly and accurately arrived at can scarcely exist until the assessor fixing them is beholden to no influence for his job, except that which accrues through merit. It is suggested that the selection of the assessor might be left to the merit system, the incumbent holding office as long as the character of the service warrants, or at least for a very long term.

2. *Assessments should be made at the true cash value of both real and personal property.*

Unless property is assessed at its full value as defined by state law or charter, there will always exist loop holes for under- or over-assessment. Occasionally assessors make use of a percentage of the full cash value, but that percentage should be uniform over all parcels of property within the city. It is impossible to compare the relative equity of assessing unless such uniformity is enforced.

3. *There should be separate assessments of land and improvements.*

The relative equity of assessments can never be determined unless lands and buildings appear separately on the assessment rolls. When the two items are combined in one it is impossible to determine the unit foot value that has been placed upon the land, or the cubic or square foot value that has been placed upon the buildings. A procedure that does not separate these items has not yet laid the groundwork of an effective and fair assessing system.

4. *The district, block and lot system should be used for describing property for assessment purposes.*

This method of describing property in its simplest form is not essential to equitable assessment, but is an aid to it. When the block and lot descriptions are used it is relatively easy for any enquirer to locate property in which he is interested and compare the assessment, and the intentional or unintentional omission of properties is made difficult.

5. *Land value maps of the entire city should be prepared and published.*

Land value maps are designed to

show the unit front foot value of the land frontages of every block in the city. The presence of such maps is the greatest assurance against unequal assessment. Any interested citizen can examine the maps on file in the assessor's office and determine the unit foot values that were utilized in the assessment within a block. With very little calculation the total of any land assessment of any parcel of property can be determined and checked against the actual assessment as appearing on the assessment rolls, and be compared with any other property desired. The publication of such land value maps is always highly desirable, since it stimulates a widespread interest in the land values determined upon by the assessing authorities.

6. *Tax maps are an absolute essential to a complete assessing system. They should give the exact dimensions of every parcel of property within the city on such scale as can be readily used.*

These maps naturally serve as the fundamental basis of assessment and from them the assessors can check their assessment rolls to insure that every parcel of property is properly recorded.

7. *Unit foot rules for measuring land values should be adopted and followed.*

In every city many lots correspond to some standard depth, usually 100 or 120 feet. It is therefore customary for assessing authorities to determine upon a standard unit of measurement,—a single inside front foot for the prevailing depth. For the value of property that deviates from the established depth, a depth table is used. For example, let us assume that the assessors establish a 100-foot rule for downtown property, since most real estate is of that depth. Land near the street is of greater value than land at a distance from it and therefore a lot having less depth than 100 feet would be of greater proportionate value than the actual depth related to 100 feet would indicate, and depths under or over 100 feet would be measured by a standard depth table. Many such rules have been established, but all of them are similar in character. Land value maps always indicate the front foot value at the middle of the block in terms of the adopted depth.

8. *Additional rules covering corner influence, plottage, triangular and irregular shaped lots, alleys, and other minor variations in values should be determined upon.*

The most important of these rules relates to corner influence. It is obvious that many parcels of property located at the junction of two streets are of greater value than property in the middle of the block, but this corner influence, as it is called, is always difficult to determine. If the matter is left to the opinion of the assessor formulated without some rule, one may be sure that values are not equitably determined and comparisons are made impossible. For that reason considerable thought has been given to corner influence rules for business property particularly.

Plottage rules are established to take into consideration the different utility of property because of peculiarities of size. For example, a piece of property located immediately adjacent to a railroad might be used for a coal yard. Its value for that purpose, however, would be greatly reduced if it were so narrow that it did not have adequate space for both storage and roadway.

Certain rules have also been worked out covering triangular and odd shaped parcels, alleys, etc.

9. *There should be a standard classification of buildings with the establishment of unit factors of value for each class.*

The valuation of buildings opens

large avenues for favoritism and inequality because buildings in the same neighborhood may and will have large variation in cost, although land values may be more or less uniform. The greatest injustice may be done in fixing assessments, yet the aggrieved property owner find himself estopped from redress because of the large element of personal opinion that enters into a building valuation. However, these opportunities will be reduced to a minimum if buildings are classified into large groups according to character, and each such class further subdivided as necessary. For example, it would be relatively simple to throw certain types of residences into a half dozen or more classes. Downtown office buildings, factories, hotels, etc., are similarly susceptible to grouping. The cubic or square foot factor of each group can then be fixed and from it the assessed value of each building determined. There will, of course, be minor deviations from these established classifications and values, but they will be relatively unimportant as compared to the equity that is secured.

10. *Rules of economic and structural depreciation should be adopted and used.*

Structural depreciation is easily understood. It is the reduction in the value of property due to wear and tear, age, and physical decay not made good by maintenance. No matter how well a building is repaired and maintained, it eventually wears out and its value is lessened accordingly. The structural life of buildings has been fairly well established and the value reduced according to age tables.

Of more importance is the matter of economic depreciation, due to inadequacy, obsolescence, or supersession. Probably most buildings find their way to destruction from this cause rather than because of actual physical depreciation. Every large city has many buildings that for the reasons enumerated are not suitable to the land upon which they are placed, and the income of which is not commensurate with the investment involved. Some reduction in assessment must be made because of this economic deterioration, but rules governing it are difficult of formulation and allowances are usually made in the good judgment of the assessors.

11. *Coöperation should be had with property owners in fixing the assessments.*

Probably one of the most important steps the assessing officials can take in their duty of annual assessment of property is to obtain the coöperation of the owners in determining upon relative valuations. Such coöperation may be through real estate boards and dealers, and other citizen agencies.

12. *In assessing personal property, a personal return should be required to be filed by each taxpayer.*

Such return form should be sworn to by the taxpayer, and in event he refuses or fails to file same, the assessor should fix a satisfactory minimum valuation, subject to annual increases until protest is made.

13. *Ample opportunity should be provided for a review of tentative assessments, and the hearing of complaints.*

III. Financing Permanent Improvements

Permanent improvements are ordinarily financed through the issuance of bonds, or assessment for special benefits conferred. While special assessments may be paid in cash by the property benefited at the time the construction work is done, more frequently they are liquidated in installments, in which case bonds are issued and the proceeds used to pay the contractor. In consequence, it may be said that every city pays for its principal public improvements by the issuance of bonds. The rules governing the issuance of bonds

are more or less determined by common sense, and for that reason it is relatively easy to indicate certain fundamental tests that should govern in every instance in which a city incurs funded debt.

1. *Except in unusual emergency, such as flood, fire, etc., debts should be incurred only for a permanent improvement.*

It is hardly necessary to expatiate on this axiom. A city is no more justified in issuing bonds for current expenses than is the private individual.

2. *The term of the bonds should never exceed the life of the improvement for which they are issued.*

It is reasonable to expect taxpayers to pay for improvements during the life of the benefits that they receive. In examining the outstanding bonded indebtedness of cities, it frequently develops that bonds are still unpaid covering schools, bridges, equipment, etc., that have long since been razed, abandoned, replaced, or junked.

3. *If term bonds be issued, a sinking fund or reserve should be maintained for their retirement.*

At least enough money should be deposited in the sinking fund annually so that such installments plus the annual earnings thereon will be sufficient to pay the bond at maturity. Unless such a fund be set up, one of two alternatives is presented,—either to pay the entire debt in one lump sum at maturity, or to refund the issue. The former method would put an undue load on one year's debt charges, and in the case of a large bond issue be practically impossible, and the latter would effectually postpone payment probably past the life of the improvement.

4. *In general, preference should be given to serial bonds over term bonds, except in large cities, where a study of the market should be made as to saleability of each type.*

Many erroneous figures have been circulated with respect to the relative cost of serial and term bonds, always in favor of the former. In actual practice the cost of any bond is determined by the amount of the bond, the rate of interest, and the time elapsing before maturity. These elements all being considered, the cost is precisely the same on a serial and a term bond provided the sinking fund earn at the same rate of interest as the bond carries. Should the sinking fund earn at a higher rate, the term bond is actually cheaper; if at a smaller rate it is more expensive. This last statement is predicated on the assumption that the market at the time of the sale is as equally favorable for one type as for the other. Such equality does not always exist. In some markets one type may be sold at a lower rate of interest than the other type. In the case of large cities, consideration should be given to the favorableness of the market in determining the type of bond to be sold. However, in smaller communities preference should be given to serial bonds to obviate the necessity of maintaining a sinking fund with its attendant bookkeeping and investment of funds.

The term of a bond should not be too long, regardless of the type. In either the serial or sinking fund the difference in annual cost between bonds issued for a period of, say, fifty or sixty years, and those issued for, say, thirty or thirty-five years, is so small that there is no justification for assuming additional interest burdens over a period of years while decreasing annual payments by immaterial amounts.

5. *The rate of interest should be fixed as close to the market as possible.*

It is a generally accepted fact that the larger the premium paid on a bond the larger the base rate of interest which the city must pay. A bond selling, at say 105, must, according to

authorities, carry a larger base rate of interest than a bond with the same security behind it selling at par. Sound policy suggests that the buyer should fix the rate.

6. *Provision should be made for proper advertisement, sale and delivery of bonds.*

In order to assure competition and the lowest rate of interest to the city, it is essential that wide publicity be given to each bond sale.

7. *A public improvement program financed by bond issues, should be prepared for a considerable number of years in advance.*

The value of budgeting current income and outgo has been discussed. In recent years, however, equal merit of budgeting public improvements has been brought to the fore.

Naturally, such improvement budgets must be longer than for one year, although they will need periodic revision. If a city insists upon picturing its requirements for public improvements for only a short period in advance, it must necessarily plunge into proposals that cannot be afforded with the result that its improvements are out of balance. Any city, with careful study, can determine the major projects that will be before it in the coming decade. Within reason the cost of these projects can be ascertained. Information is also to be had as to the possible increase in the assessed values of the community and the amount of bonds that may be issued and the current revenues that can be devoted to permanent improvements over that period. Under these circumstances, it is the better part of wisdom carefully to set up a list of these major projects with provision for their gradual financing.

8. *Wherever and to whatever extent possible a city should proceed on a pay-as-you-go basis.*

The purpose of bonds is to meet requirements for improvements that cannot be met from current revenues. However, there is no doubt that cities have overlooked the sensible use of this type of financing and have utilized the incurrence of debt as a means of securing improvements that could and should have been paid for by current revenue. Many public improvements in a city are of a recurring nature, such as schoolhouses, fire and police stations, street repairs, etc., which should be taxed for currently, leaving a future generation to meet new requirements as they come along and leaving the bond margin free to take care of emergencies and projects of unusual magnitude.

9. *In assessing the cost of local improvements the procedure should be based upon definitely established principles that will insure uniformity and equality in spreading the assessment.*

Should the city at large pay a certain percentage of the assessments on certain types of improvements,—as for example, municipalities often assume the cost of intersections in assessing street paving,—this ratio of amount paid by general taxation to the amount paid by special assessment should be maintained generally on all improvements of the same type. Further, prescribed rules should determine how special assessment districts are to be established, and all districts should be laid out in accordance with those principles. This would eliminate the size of districts fluctuating with the whims of the authorities responsible. Finally, in principle, the basis of assessment should be according to measurable benefit, rather than upon some ad valorem, square foot, or other arbitrary rule.

IV. Collection, Custody and Disbursement of Funds

Originally, the treasurer of any government was an important officer,

since he was both a custodial and accounting officer. In modern governments it is customary to fill these positions separately. With the transfer of the control of public funds to the controller or auditor, the office of treasurer has become purely a custodial position and its importance has decreased accordingly. Today, the treasurer takes in and disburses the money as directed by the control authority, and his office becomes one largely of detailed routine in which defalcations can occur only by actually absconding with funds in his possession.

1. *The first test of sound treasury procedure involves appointment rather than election as a means of filling the office.*

Sound arguments cannot be advanced for the election of a city treasurer. He determines no major policies, and as a purely administrative officer he should be selected for a long term by appointment and solely on the merit of conducting the technical routine of collecting, holding and disbursing funds.

2. *The funds in the treasurer's possession should be consolidated so far as consistent with practical administration.*

In depositing public funds it is entirely proper that separate deposits be made of certain revenues that must be devoted to specific purposes,—particularly cash belonging to the sinking fund, proceeds of the sale of bonds, special assessment receipts, pension and other trust receipts, public utilities revenues, and general receipts. Many cities, however, go far beyond these elementary distinctions in depositing money and make segregations of actual cash in the bank when only a proper accounting control is required. In consequence, when cash is temporarily short in one fund, it is necessary to borrow money at interest although the city may have ample resources in other funds, which is obviously a needless and expensive procedure.

3. *Cash deposited in banks should earn a maximum interest rate.*

Larger cities so arrange their checking accounts and their deposit of funds that a substantial return is secured from interest. Such, however, is not always the case, and the failure to make the most of this opportunity of supplementing city revenues is a sound criterion of the inefficient conduct of the treasurer's office. Periodically, depositaries should be selected upon the basis of the highest interest rates bid.

4. *The collection of minor revenues should be properly controlled.*

This is a very general test and one difficult of application by citizens examining the character of their government. No treasurer's office is so organized that all public receipts can be paid directly to it. To attempt such consolidation would be to cause undue annoyance to citizens making payments to the city and would serve no practical purpose. Individual departments must continue to collect their revenues for general services, as utilities, and for the numerous small services that may be grouped under the head of departmental charges. Such revenues, however, should be carefully audited by the controlling authorities and assurance had that the receipts are transmitted promptly to the city treasury.

5. *All taxes should be pre-billed, and mailed to the taxpayer.*

No privately owned public utility would be permitted to treat the public with such indifference as attends the assessment and collection of taxes. Often a citizen is compelled to spend hours in line to secure his tax bill and spend a similar length of time in getting to another window to make payment, whereas if payment is not made with exceeding promptness heavy

penalties are imposed for a brief period, after which his property may be sold for cumulative charges. Progressive municipalities are remedying this situation by pre-billing all taxes and mailing the bills to the citizens in ample time to make the payment. Payment by check is ordinarily permitted. This procedure is not only a convenience and safeguard to the taxpayer, but speeds up collections and reduces the amount of delinquent taxes.

6. *All taxes and other charges should be collected currently.*

One of the acid tests of efficiency in collection is whether taxes are collected within a reasonable time after they are due. This test may be applied also to such charges as special assessments, permits, and other departmental charges. One reason for the strained financial condition of some cities is the failure to enforce prompt collection, particularly with respect to personal property taxes, and it is obvious that unless such collections are promptly and impartially made, political capital may be the reward for the treasurer at the expense of the long-suffering and honest but uninformed public. The greatest of ignorance usually prevails as to the actual collection of taxes levied.

7. *The sale of property for delinquent taxes should be made a judicial procedure, in which any surplus received over and above taxes and penalty reverts to the property owner.*

The procedure governing the sale of property for delinquent taxes works hardship and injustice to the property owner in many jurisdictions. It is now a generally accepted principle that the delinquent taxpayer should never have to deal with other than the city government during the period available for redeeming his property. When this period has elapsed—which should be much longer than generally prevails,—the property should be sold only in accordance with a judicial practice similar to that involved in the foreclosure of a mortgage, and the property owner should receive any surplus that remains after the delinquent taxes and imposed penalties have been deducted.

V. Controlling Financial Transactions

In present day government the controller is an important officer. His duties are twofold. First, is that of record keeping which involves the recording of all transactions affecting the municipality. The second is auditing, which involves the use of discretion in insuring a complete record of transactions and the honest and wise expenditure of this money. The first is purely administrative and requires no determination of policy, and as such the position may properly be filled by appointment. The second involves the determination of policy and a control over the acts of other elected and appointed officers. As such, it is entirely proper that the position should be filled by election, or by appointment independently of the officers to be controlled. For that reason, it is impractical to set up any standard of selection as a criterion of organization, such as was done with the office of city treasurer. The discussion of criteria will, therefore, be limited entirely to procedure.

1. *Accounts should be centralized in the controller's office.*

It is a first requisite of efficient accounting that it be maintained under a single jurisdiction. This means that all revenues, both major and minor, should be controlled by the controller's office. It also means that appropriation ledgers will be maintained in the controller's office rather than in the several city departments, so that a complete statement of the financial

condition of the city may be taken from the controller's books without recourse to subsidiary records maintained in other places.

2. *Municipal accounting should be maintained on an accrual basis.*

Many municipalities concern themselves only with cash receipts and cash disbursements, and have little or no control of revenues that will become due in a fiscal period or of obligations incurred which are not yet paid. The greatest forward step that has been made in municipal accounting has been the establishment of such control over revenues accrued but not yet collected and liabilities incurred but not yet paid that a complete statement of the city's financial condition with respect to these items, as well as with respect to cash, can be presented.

Such control contemplates a complete, accurate and current record of the several general classes of financial transactions,—current, capital, special, trust, etc. This includes adequate records of general departments including quasi-independent boards, etc., utilities, bonded debt and debt margin, tax limits, special assessments, pension funds, etc. A corollary of such records is a report to the public setting forth this information in concise and understandable form.

3. *Controlled inventories of the city's supplies, materials, equipment and real estate should be maintained.*

Most cities take an occasional inventory, sometimes annually, of all physical property owned. Such inventories are often included in the financial statement. However, these inventories can be currently maintained and controlled on the books of record so that the unwarranted loss of any property will be detected. Only with such records can a complete balance sheet of the city's assets and liabilities be prepared.

4. *Unit and job costs of city services should be available.*

No American city at the present time reports to the public the unit cost of the numerous activities undertaken on behalf of the city. Until such records are available, it will be impossible to check accurately the character of government being rendered. It will be a stimulus to sound administration when the public can compare the amount and cost of work done in a community for any year with the year previous and with similar activities undertaken by other cities.

5. *Payrolls should be under complete control.*

Such control involves the checking of all payrolls by the civil service authorities to assure that persons being paid by the city are properly employed, and the periodic checking of labor payroll clerks who can assure that the persons employed are actually on the job.

6. *All accounts of the city should be audited continuously or periodically by auditing authority independent of the controller's office.*

Sometimes such audits are made by state authorities, but more often through the employment of qualified private accountants.

7. *Periodic reports to be made to the public to include a complete operating statement and balance sheet.*

Only complete records can produce adequate reports, and the existence of a properly prepared operating statement and balance sheet is in itself a criterion of a sound accounting procedure, assuming that the items appearing on each are taken from books of record and not from memoranda documents.

8. *An operation audit is fully as important as a cash audit.*

A cash audit verifies expenditures as to their legal regularity and correctness of invoices as to additions, extensions, etc. An operation audit reviews ex-

penditures as to the value to the community of the services performed.

VI. Centralized Purchasing

In many governmental jurisdictions each department is permitted to purchase supplies, material and equipment on its own initiative. While such procedure is highly satisfactory to such departments, since it allows wide discretion in the type of goods purchased and almost invariably results in expeditious purchasing, numerous abuses abound. Goods are purchased which are of a better quality than the proposed use justifies; goods are purchased from friends instead of in the open market; the prices paid more nearly approximate retail than wholesale prices; the benefits of quantity buying are lost; goods are purchased by trade name rather than under specifications that predetermine the quality; inspection is often poor, etc.

For these reasons and many others, many municipalities are taking a leaf out of the experience of private business and have centralized purchasing. The procedure of centralized purchasing is quite detailed, but some of the more outstanding features that may be used as criteria are as follows:

1. *All purchasing, except possibly highly technical and certain kinds of raw materials for municipal industries, should be centralized in a single authority, appointed upon merit and preferably under civil service.*

This would assure the benefits of central purchasing for all departments of the city government.

2. *Purchases should be made in accordance with standard specifications, both as to use and quality.*

Honest purchasing cannot be made unless every vendor knows exactly the quality of goods on which he is submitting bids. On the other hand, the city cannot be sure that it is obtaining its full value for the price paid unless it understands specifically the qualities of the goods it is buying. Specification for use is less well understood. It simply means that the goods shall be most suitable for the purposes for which they are required.

The specifications themselves should, of course, be open so as to permit competition from all manufacturers.

3. *All purchases should be in as large quantities as consistent with economical use.*

Only in this manner can the advantages of wholesale prices and the interest of a large number of vendors be secured. These advantages can best be secured when the purchasing agent calculates well in advance the total quantities of important articles to be bought by the city and enters into a purchase agreement for such goods, and by collecting the orders of the departments for minor goods and buying them not oftener than once a week for each type of supply involved.

4. *The inspection of goods purchased must be thorough.*

This usually involves the maintenance of a corps of inspectors by the purchasing department to cover large items and the deputization of certain individuals in the departments to check minor items delivered directly from the vendors. Incidentally, facilities should be provided for the scientific testing of goods to insure their compliance with specifications.

5. *The usual legal provision permitting purchases in small amounts without competition should not be abused.*

6. *The amounts of all orders should be immediately entered upon the appropriation ledgers of the finance department as an encumbrance against the proper appropriation, and should be paid promptly when the invoice is finally presented.*

The former assures sound financial control by the city; the latter assures a

maximum of economy through the city taking all available discounts, as well as more favorable bids by vendors who are assured of prompt payment.

7. *A central house storeroom should be provided for the distribution and storage of minor articles in current use by departments, and all storage yards of every type should be under the purchasing authority in order that the quantity distribution of supplies may be made in an economical manner.*

The need for a storeroom for articles in current use is obvious. Many small articles are requisitioned in small quantities by departments and it is advantageous to have them on hand for immediate distribution. Also in this way larger quantities can be purchased at reduced prices. The question of the control of storage yards is still a subject of discussion. At the present time in most cities each important department maintains a storage yard in which the usual construction materials will be found. The centralization of these yards under one authority would permit a reduction in inventory and also provide for shorter hauls on materials.